

A REPORT

FROM

THE

NATIONAL

COMMITTEE

FOR

RESPONSIVE

PHILANTHROPY



MOVING A PUBLIC

POLICY AGENDA:

THE STRATEGIC

PHILANTHROPY OF

CONSERVATIVE FOUNDATIONS

July 1997

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POLICY AGENDA:
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PHILANTHROPY OF
CONSERVATIVE FOUNDATIONS**

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Foreword

In the early 1980s I worked at the Twentieth Century Fund, one of the older policy research foundations in the United States. Founded in the 1910s by the Boston department store magnate Edward A. Filene, it had experienced a long and successful run in the decades since the heyday of the Progressive Era and New Deal. The Fund had produced an impressive shelf of policy studies: from stock market reform and old age security in the 1930s to regional development and urban issues in the 1960s. With the ascendance of Ronald Reagan and the dramatic rightward shift in national politics, our future policy agenda was thrown into doubt. My colleagues at the Fund began to discuss — to worry about, would be more apt — whether the operations of traditional “think tanks” and foundations such as ours were outmoded and irrelevant.

At the time, the board and staff were a mixed lot: Old New Dealers, Kennedy stalwarts, New York neoconservatives, mainstream businessmen, labor leaders, lawyers, and young social science academics. We shared one fundamental assumption, although there was wide scope in which to disagree about what it meant in practice. We believed, like the Progressives who had founded the more venerable think tanks and foundations in the 1910s, that serious research and study could inform and improve public policymaking. But in the early 1980s we simply did not know what to make of the cluster of new, proudly conservative organizations that so vigorously and aggressively promoted their ideas. More to the point, we were not at all certain how to respond. Their research was not quite like ours. They were argumentative, more certain about their policy convictions. Their publications were shorter, more likely to take the form of a briefing paper, and always more quickly produced and disseminated. Their reports seemed to resonate in the press and within wider political constituencies. At the Fund and, as I would later learn, at Brookings and other mainstream institutions, we still thought in terms of scholarly books, hoping and praying that a few journalists might attend our occasional press conferences; we still conceived of an audience that was limited mostly to Washington policymakers and university-based policy scholars.

Sally Covington’s study of twelve conservative foundations and their grant-making from 1992 to 1994 helps, in retrospect, to explain our perplexity. Her report is much more than a collection of data about recent grants and grantees. It is an account of a coherent, strategic approach to philanthropy and public policy.

Proclaiming their movement to be a war of ideas, conservatives began to mobilize resources for battle in the 1960s. They built new institutional bastions; recruited, trained and equipped their intellectual warriors; forged new weapons as cable television, the Internet, and other communications technologies evolved; and threw their full resources into policy and political battles.

Sally Covington focuses on the conservative movement, but implicit in her account of conservative philanthropy is a critique of how mainstream and liberal foundations have failed to respond. She describes how conservative foundations have created and concentrated general operating support on a distinct set of think tanks and linking organizations; she tells how they have helped conservative scholars and other professionals advance their careers through fellowships, research support and endowed academic posts; she explains how they have constructed networks for communicating policy proposals and ideas to various conservative constituencies, while keeping opponents on the defensive. Above all she reminds us of the techniques for marketing ideas and of how conservatives have adapted over the past thirty years to the new ways in which public policy discourse has been conducted, whether through op-ed pieces, public broadcasting and cable television or fax machines and web-sites.

By now, these techniques are all familiar. However, movement-oriented conservative philanthropy has been countered only fitfully over the decades. This is because the majority of foundations, if they are engaged in the public policy realm at all, tend to operate not with a long-term policy perspective but with a problem-oriented and field-specific approach. The ideological proclivities of most foundations, if they can be characterized in ideological terms at all, are grounded in the traditions of American pragmatism. Their commitments are short-term and project-driven, often looking for measurable outcomes rather than such vaguely definable goals as pushing public opinion in one direction or another. Testing, probing, questioning, and experimenting with specific projects are all central to the ethos and practice of mainstream and liberal foundations. In the final analysis, Sally Covington’s study of conservative philanthropy compels us to ask whether these traditional approaches have proved to be an adequate response.

by **James A. Smith**, Executive Director,
Howard Gilman Foundation and author of
The Idea Brokers: Think Tanks and the Rise of the New Policy Elite

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Introduction

For more than three decades, conservative strategists have mounted an extraordinary effort to reshape politics and public policy priorities at the national, state and local level. Although this effort has often been described as a “war of ideas,” it has involved far more than scholarly debate within the halls of academe. Indeed, waging the war of ideas has required the development of a vast and interconnected institutional apparatus. Since the 1960s, conservative forces have shaped public consciousness and influenced elite opinion, recruited and trained new leaders, mobilized core constituencies, and applied significant rightward pressure on mainstream institutions, such as Congress, state legislatures, colleges and universities, the federal judiciary and philanthropy itself.

Thirteen years ago, this apparatus was appropriately described by moderate Republican and author John Saloma as the “new conservative labyrinth.” At the time he wrote, Saloma was warning that this labyrinth constituted “a major new presence in American politics.”¹ If left unchecked, Saloma predicted, it would continue to pull the nation’s political center sharply to the right.

His analysis was prescient. Today, the conservative labyrinth is larger, more sophisticated, and increasingly able to influence what gets on — and what stays off — the public policy agenda. From the decision to abandon the federal guarantee of cash assistance to the poor to on-going debates about the federal tax structure to growing discussion of medical savings accounts and the privatization of social security, conservative policy ideas and political rhetoric continue to dominate the nation’s political conversation, reflecting what political scientist Walter Dean Burnham has called the “hegemony of market theology.”²

In this research report, the National Committee for Responsive Philanthropy documents the role that conservative foundations have played in developing and sustaining America’s conservative labyrinth. It offers an aggregate accounting and detailed analysis of the 1992-1994 grantmaking of 12 core conservative foundations, the results of which confirm what has been reported in more anecdotal terms: that conservative foundations have invested sizable resources to create and sustain an infrastructure of policy, advocacy and training

institutions committed to the achievement of conservative policy goals.

In just a three-year period, the 12 foundations awarded \$210 million to support a wide array of conservative projects and institutions. It is not simply the volume of money being invested that merits serious attention, but the way in which these investments have helped to build the power and influence of the conservative policy movement. These 12 funders directed a majority of their grants to organizations and programs that pursue an overtly ideological agenda based on industrial and environmental deregulation, the privatization of government services, deep reductions in federal anti-poverty spending and the transfer of authority and responsibility for social welfare from the national government to the charitable sector and state and local government. Unlike many nonprofits which feel the dual pressure to demonstrate their uniqueness to funders and to downplay their ideology and public policy advocacy, conservative grantees are rewarded for their shared political vision and public policy activism. They are heavily supported to market policy ideas, cultivate public leadership, lobby policy makers, and build their constituency base.

This report is offered to stimulate thought about effective public policy grantmaking. It begins by summarizing the recent grant awards of conservative foundations. It then reports on the types of institutions supported and reviews the work of major grantees. A discussion follows of the funding strategies developed and implemented by these foundations in their pursuit of broader institutional reform and public policy objectives.

The report also presents information about the efforts of conservative donors and strategists to mobilize and redirect philanthropic resources over the past two and a half decades. Some brief comparisons are made, as well, between the political focus and grant investments of conservative foundations and the grantmaking orientation of the philanthropic mainstream.

Finally, the report considers the institutional, ideological and public policy impact of conservative philanthropy and reviews some of the most important lessons that the conservative funding movement offers for those interested in effective public policy grantmaking.

Research Notes

The findings in this report are based on an extensive analysis of 12 foundations' grantmaking programs from 1992 through 1994 and on a review of the missions, activities, staff and boards of major grantee institutions (1994 data were the latest available when this research was started in mid-1996). The foundations selected are widely recognized for their contribution to conservative policy organizations and/or their established leadership in developing either an organizational infrastructure or intellectual rationale for conservative philanthropy. This is particularly true of four of the foundations, the Lynde and Harry Bradley Foundation, the John M. Olin Foundation, the Sarah Scaife Foundation and the Smith Richardson Foundation, which have often been cited as the core group of conservative funders. The other eight foundations have also been noted by various sources as strong contributors to new right policy groups. All distribute over a million dollars annually.

Given the aim of documenting the strategic priorities and impact of conservative grantmakers, the foundations selected were understood to be investing a substantial portion of their grants in conservative groups and projects. Foundations that have made major grants to key conservative institutions but whose giving in this arena was thought to remain on the margin of their grantmaking overall were thus excluded from the analysis. Other foundations that might have met this "substantial" test might also have been included but were not, due to limited resources and the labor intensive nature of the grants review process. The report also excludes consideration of corporate foundations and giving programs. The grants documented in this report thus represent only a fraction of the total philanthropic investment that conservative donors have invested in conservative public policy change.

In order to develop a complete listing of conservative grants, the annual reports and/or tax returns (990-PFs) were obtained for each foundation for each of the three grant years studied.³ On the basis of these documents, all grant awards to support conservative scholars, projects, organizations or institutions were identified through one or more of the following methods: 1) grant descriptions provided by the grantmaking foundation; 2) direct solicitation of information on grantee organizations' missions, program activities, staff and board; 3) reference to *The Right Guide, 1995*, a national listing of right-of-center organizations; and 4) consultation with those knowledgeable about a particular field or policy

domain or engaged in the monitoring or analysis of conservative political or policy activity. Where some uncertainty existed, grant awards were either excluded from the analysis or included with noted qualification.

This process of grants identification yielded a total of 2400 "conservative" grants, each of which was coded by strategic sector and entered into a computer database for analysis. The codes included the following designations: academia, national think tanks and advocacy groups, legal organizations, media-related projects or institutions, national security/foreign affairs institutes, state-based think tanks and advocacy groups, philanthropic networks and institutions, religious sector organizations, and other.

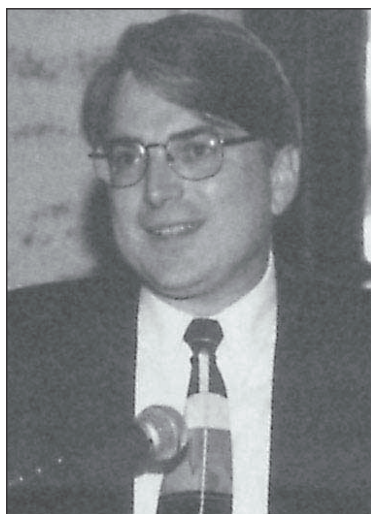
Where possible, grants were also coded by type of activity and by issue area. Coded activities included general operating support; domestic, foreign or other policy research; conferences and meetings; leadership development; fellowships and professorships; curriculum development; book projects; publications development and marketing; litigation programs; public education campaigns; print and broadcast media; lecture series or speakers' bureaus; and watchdog or monitoring. Major issue areas were also identified such as K-12 education, higher education, fiscal and tax policy, the environment, and national security. Issue area coding, however, was unproductive due to the high proportion of grants awarded as general operating support and/or the lack of sufficiently detailed reporting by the foundations on grant purposes.

Throughout the report, grant totals reflect grants authorized or awarded, rather than distributed, due to the differences in how each foundation actually reported its grants. Some reported grant authorizations and distributions while others reported authorizations only. The database thus "balances out" by including grants that were awarded but not fully distributed during the 1992-1994 period (e.g., a three-year grant awarded in 1994) and excludes grants awarded just prior to the 1992-1994 period but distributed during some part of it (e.g., a three-year grant awarded in 1991).

In addition to the analysis of grants, the study's findings and conclusions also draw on information gathered from most, if not all, of the major grantee institutions, as well as from popular reports and scholarship on conservative funding patterns and priorities.

Conservative Foundation Grants: A Summary

In a presentation at the Philanthropy Roundtable's 1995 annual conference, Richard Fink, president of the Charles G. Koch and Claude R. Lambe charitable foundations, made good use of market metaphors to outline how foundations can exert the greatest impact on public policy. Adapting laissez-



“As grantmakers we can and should play a role in accelerating the process of change by gauging the climate for an idea, judging its stage of development, and then structuring our support accordingly”

Richard Fink
Charles G. Koch and Claude R. Lambe Foundation

From his 1995 address at the Philanthropy Roundtable Conference.

faire economist Friedrich Hayek's model of the production process to social change grant-making, Fink argued that the translation of ideas into action requires the development of intellectual raw materials, their conversion into specific policy products, and the marketing and distribution of these products to citizen-consumers. Grantmakers, Fink argued, would do well to invest in change along the entire production continuum, funding scholars and university programs where the intellectual framework for social transformation is developed, think tanks where scholarly ideas get translated into specific policy proposals, and implementation groups to bring these proposals into the political marketplace and eventually to consumers.

Over the past two decades, conservative foundations have broadly followed such a model,

investing hundreds of millions of dollars in a cross-section of institutions dedicated to conservative political and policy change. This report closely examines 12 of these foundations. They include the Lynde and Harry Bradley Foundation, the Carthage Foundation, the Earhart Foundation, the Charles G. Koch, David H. Koch and Claude R. Lambe charitable foundations, the Phillip M. McKenna

Foundation, the J.M. Foundation, the John M. Olin Foundation, the Henry Salvatori Foundation, the Sarah Scaife Foundation, and the Smith Richardson Foundation. Together, these foundations controlled over \$1.1 billion in assets in 1994, awarded \$300 million in grants over the 1992-1994 study period and targeted \$210 million to support conservative policy and institutional reform objectives.

Of this \$210 million, the conservative foundations awarded:

- ◆ \$88.9 million to support conservative scholarship and programs, train the next generation of conservative thinkers and activists and reverse progressive curricula and policy trends on the nation's college and university campuses.
- ◆ \$79.2 million to build and strengthen a national infrastructure of think tanks and advocacy groups, \$64 million of which was directed to institutions with a major focus on domestic policy issues and \$15.2 million to institutes focused on American national security interests, foreign policy and global affairs.
- ◆ \$16.3 million to finance alternative media outlets, media watchdog groups, and public television and radio for specific, issue-oriented public affairs or news reporting.
- ◆ \$10.5 million to assist conservative pro-market law firms and other law-related projects and organizations.
- ◆ \$9.3 million to support a network of regional and state-based think tanks and advocacy institutions.
- ◆ \$5.4 million to organizations working to transform the social views and giving practices of the nation's religious and philanthropic leaders.

While the size of these foundations' grantmaking programs may pale in comparison to some of the nation's largest foundations, these funders have contributed in significant ways to the rightward shift in the nation's political conversation and public policy priorities.⁴ Several factors account for their effectiveness.

First, these foundations bring a clarity of vision and strong political intention to their grantmaking programs. The grants data themselves, as well as public information gathered on the missions and program activities of major grantees, reveal the

willingness of these foundations to fund aggressive and entrepreneurial organizations committed to advancing the basic tenets of modern American conservatism: unregulated markets and limited government.

Second, conservative grantmaking has focused on building strong institutions across almost every major strategic sector of America. The analysis of grants reveals that these foundations have provided substantial general operating rather than project-specific support to a variety of institutions. Almost half of all non-academic grant dollars to think tanks, advocacy organizations, media outlets, and other groups with a public policy or institutional reform orientation was awarded on an *unrestricted* basis.

Third, the foundations have recognized that federal budget priorities and policy decisions exert such significant impact on the issues and concerns at the state, local and neighborhood level that the national policy framework cannot be ignored. They thus invested substantial resources in think tanks and advocacy organizations with a major focus on national policy and the capacity to reach a broad national audience. Also, the foundations concentrated their grant resources, as just 18 percent of the grantees received over 75 percent of grant dollars awarded.

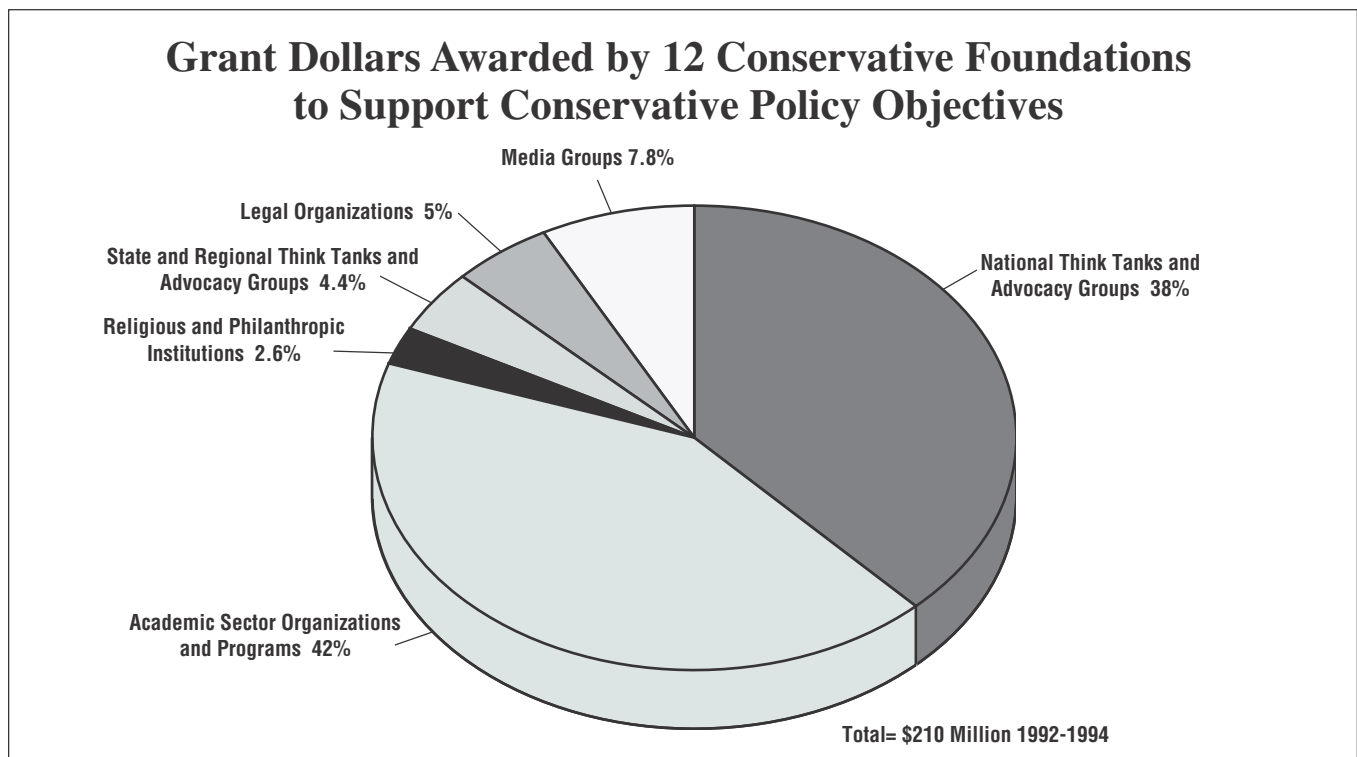
Fourth, the foundations have invested heavily in institutions and projects geared toward the marketing of conservative policy ideas. Through the provision of both general operating and project-specific support, these funders have enabled policy insti-

tutions to develop aggressive marketing campaigns, media outreach efforts, and new communications tools with which to build their constituency base, mobilize public opinion and network with other organizations around a common reform agenda.

Fifth, the foundations have provided considerable support to create and cultivate public intellectuals and policy leaders with strong free market, limited government perspectives. They provided tens of millions of dollars to subsidize students' education and place them as interns in conservative policy institutions, media outlets, advocacy organizations and law firms. They spent millions more to help established conservatives maintain public prominence and visibility through senior fellowships and residencies at prominent think tanks and research institutions.

Sixth, the foundations targeted grants across the institutional spectrum in recognition that a variety of institutions and reform strategies are required for effective transformation and policy change.

Finally, many of these foundations have engaged in similar funding efforts for as long as two decades. Their steady and generous support has anchored key conservative institutions financially, giving them a tremendous offensive capacity to influence specific policies and audiences, and also to shape the overall framework in which important fiscal, regulatory and social policy decisions are made.



Types of Institutions Supported⁵

Academic Sector Organizations and Programs

Funds generated by business...must rush by the multimillions to the aid of liberty...to funnel desperately needed funds to scholars, social scientists, writers and journalists who understand the relationship between political and economic liberty. [Business must] cease the mindless subsidizing of colleges and universities whose departments of economy, government, politics, and history are hostile to capitalism.

—William E. Simon, *Time for Truth* (1979)

While there has long been an affinity between American philanthropy and higher education, the grant money that conservative foundations have awarded to the academy has been targeted, multi-dimensional and strategic. Over the 1992-1994 period, the 12 foundations collectively awarded \$88.9 million to support two broad and mutually supportive purposes. The first and primary purpose has been to build and strengthen an intellectual edifice to support conservative social and public policy views. Tens of millions of dollars were granted to individual scholars, academic study programs, research institutes, and public policy centers whose work, both individually and collectively, supports and extends the theoretical and philosophical basis for free market economics and limited government.

The second purpose has been to develop an organizational network of faculty, students, alumni and trustees to oppose and reverse progressive curricula and policy trends on the nation's campuses. This network has launched a highly sophisticated attack on "liberal" higher education, first by developing and popularizing the idea that a dominant and intolerant left has eroded academic standards and the space for free intellectual inquiry and then by using this critique to press for change in American higher education, particularly with respect to university admissions practices, curricular trends, faculty hiring and funding.⁶ Higher education funding by conservative foun-

dations is therefore not just a program funding area but an important lever for the achievement of broader policy goals.

Over the 1992-1994 period, the foundations directed substantial grant resources to approximately 145 academic institutions, programs or higher education organizations, awarding \$23 million to develop or expand specific academic programs or curricula; \$16.8 million to subsidize the training of undergraduate, graduate and post-graduate students, principally through fellowships in law, economics, political science, and public policy analysis; \$7.8 million to support the work of academic change organizations; \$7.6 million to establish university chairs and support distinguished professorships; \$6.1 million to further domestic policy research, \$5.7 million to support the general operations of specific research centers; \$4.6 million to underwrite foreign policy research; \$3.3 million to finance conferences and meetings; \$3.1 million to fund education seminars for judges in the application of economic principles to legal decision making; and \$2.1 million to assist in specific book projects. The rest of the money supported a variety of purposes, including lecture circuits, manuscript preparation, publications support, and more.

Of the \$88.9 million awarded for academic or higher education-related purposes, \$51.3 million was channeled to just 16 grantee institutions, including the University of Chicago, \$10.35 million; Harvard University, \$9.67 million; George Mason University, \$8.55 million; and Yale University, \$5.95 million.

The **University of Chicago** is well-known as the home institution of Milton Friedman and the "Chicago School of Economics," which espouses radical adherence to free market principles. The University also serves (or has served) as the home of other prominent conservative scholars and law faculty, including: Allan Bloom, whose *The Closing of the American Mind: How Higher Education Has Failed Democracy and Impoverished the Souls of Today's Students* helped to popularize conservatives' sophisticated and coordinated attacks on "liberal" higher education; Richard Posner, whose *Economic Analysis of Law* became the "bible" of the heavily funded law and economics movement (see below); and Richard Epstein, whose books include *Forbidden Grounds: The Case Against Employment Discrimination Laws*, which argues that anti-

discrimination statutes represent an unconstitutional infringement on private property rights and freedom of contract, and *Takings, Private Property, and the Power of Eminent Domain*, which provided much of the rationale for right-wing challenges to environmental protection laws.

ics. In effect, their funding did much to create a law and economics “movement” which, because of its anti-regulatory orientation, was favorably perceived by conservative donors as potentially leading to a more predictable legal environment for business. Referring to Chicago school theorists (including Richard Posner and Henry Manne), the Alliance for Justice report states that:

Top Academic Sector Grantee Institutions	
	Total Grants Awarded
University of Chicago	\$10,352,411
Harvard University	9,670,652
George Mason University	8,554,171
Yale University	5,957,374
Claremont McKenna College	3,068,500
University of Virginia	3,065,282
Marquette University	1,565,000
Boston University	1,464,000
Cornell University	1,415,000
Stanford University	1,294,200
Georgetown University	1,169,934
New York University	1,091,300
University of California, Berkeley	830,000
Columbia University	852,725
Duquesne University	484,000
Hillsdale College	451,000

They assert that the law’s fundamental goal should be to maximize the wealth of society by promoting the efficient use of scarce resources. Chicago Schoolers bring to law and economics theory a marked disdain for governmental regulation, arguing that such intervention interferes with the natural tendency of resources to gravitate toward their most valuable uses in the market. They believe the law should mimic the market by seeking only ‘efficient’ legal outcomes, those whose economic benefits outweigh their economic costs. Thus, conceived, the law is not an exponent and promoter of constitutional or ethical tenets; rather, it is a ‘mere supplement to the market: a necessary but minor vehicle for perfecting market-like solutions.’”⁸

Others working within the law and economics tradition take the position that the field is neither intrinsically “liberal” nor “conservative,” arguing instead that it offers a useful and important tool (economic analysis) with which to consider a variety of legal problems.⁹ Still, law and economics scholars working within a more progressive framework acknowledge that efficiency, rather than equity, remains the field’s core concern.

Law and Economics Funding

Much of the grant money going to top academic institutions supported the establishment or expansion of law and economics programs, which conservative foundations, particularly Olin and Scaife, began to support heavily in the 1980s. Out of the \$23 million awarded to develop or expand specific academic programs, \$16.5 million supported law and economics programs and law schools, with major awards to the University of Chicago (\$3.3 million), Harvard University (\$3.2 million), the University of Virginia (\$2.3 million), Yale University (\$2 million), George Mason University (\$1.4 million), Cornell University (\$1.2 million) and Stanford University (\$711,578). Such support prompted the release of a 1993 report by the Alliance for Justice that examined conservative foundations’ efforts to reshape legal theory and practice in ways more congenial to commercial or corporate interests.⁷

Moreover, given that the real world application of law and economics principles will depend on the matrix and ideological orientation of existing institutions, conservative foundations’ efforts to create and expand law and economics programs must be evaluated against the totality of their grantmaking investments, particularly in the legal arena. Those investments have included \$16.5 million in law-related funding within the academic sector, primarily to support law and economics curricula as well as an additional \$10.5 million to support pro-market public interest law firms, pro-bono legal networks, training seminars for federal judges, and law student and alumni organizations dedicated to advancing conservative philosophical and legal principles within law schools, the judiciary and policymaking circles. Thus, \$27 million was directly devoted to legal institutions and training programs.

According to the report, conservative funders helped to institutionalize the “Chicago school” version of law and econom-

This \$27 million does not, however, reflect the general operating or program-specific support provided by conservative foundations to national think tanks engaged in judicial reform efforts. A prime example is the Manhattan Institute, which initiated a very active Judicial Studies Program to influence national legal debates, particularly over civil law and tort reform.

Public Policy Training

Beyond their considerable support of law and economics programs, the conservative foundations also directed substantial resources to subsidize students' training in public policy analysis, economics and government. Nearly \$17 million was awarded as fellowship money to support the intellectual development of students, from college to post-graduate education. Augmenting this was \$26 million more for various academic programs, domestic and foreign policy research, research centers, conferences and meetings mostly on the same campuses as the student fellowship money was spent, permitting expanded study, work and social interaction for the targeted students.

The heavy stream of money invested in **George Mason University** offers a striking example of the attention that conservative foundations have paid to the recruitment and training of college youth. Located just outside the Washington, D.C. beltway and offering good access to national decision makers, George Mason University has been a magnet for right-wing money for over a decade. From 1992 through 1994, the 12 foundations invested a combined total of \$8.55 million in various academic programs and institutes of George Mason University. This amount placed the University third among all academic and non-academic grantees, trailing only the more prestigious University of Chicago and the Heritage Foundation. Among other things, awards to George Mason University supported the work of the Center for Market Processes (\$2.1 million), the Center for the Study of Public Choice (\$524,100), the Institute for Humane Studies (\$3 million), and the Law and Economics Program and Center (\$1.4 million), headed by Henry Manne.

Both the Institute for Humane Studies (IHS) and the Center for Market Processes (CMP) offer training programs for young conservatives to prepare them for public policy careers. The **Institute for Humane Studies'** mission is to support "the achievement of a freer society by discovering and facilitating the development of talented, productive students, scholars, and other intellectuals who share a commitment to liberty and who demonstrate the potential to change significantly the current climate of opinion to one more congenial to the principles and practices of freedom."¹⁰

Among its many objectives, the Institute seeks "to enhance [young peoples'] career skills and their understanding of strategically targeted career paths through seminars, mentoring, internships, and networking." Toward that end, IHS holds summer seminars for students on free market economics and libertarian thought. Participation at these seminars is free. The

Institute is also well enough funded to offer student fellowships of up to \$17,500 for continued study.

The **Center for Market Processes** offers a fellowship summer training program, bringing students from across the country to participate in two weeks of "intellectual" training on market-based public policy followed by an eight-week internship placement with conservative policy institutions. CMP also maintains an active Policymaker Education Program for senior Congressional staffers, organizes conferences and other policy meetings, promotes public policy research in areas of special interest, and publishes several newsletters including *Pro-Market Network News*, distributed free to anyone who wants it and intended, as the publication states, "to facilitate communication between market-oriented professionals, policy centers, government offices, education institutes, and other organizations."

The **Law and Economics Center** mission is to educate judges in how to apply principles of economic analysis to the law. By 1991, the Center had provided such training — with seminars held at resort locations to enhance their attractiveness — to over 40 percent of the federal judiciary. Like the Center for the Study of Market Processes, the LEC is run independently of George Mason, with corporate and foundation sponsors covering "all travel, lodging and meal expenses for the most powerful players in the legal system — judges."¹¹

Other grantees, such as **Claremont McKenna College** on the West Coast, or **Hillsdale College** in Michigan, or **Boston University** in the East, have been generously supported for their conservative leadership or intellectual orientation. Claremont received just over \$3 million for a range of activities, including grants to establish and support the Rose Institute of State and Local Government, the Henry Salvatori Center, fellowships in economics and political theory, professorship pledges and faculty book and research projects.

Approximately \$1.5 million was awarded to **Boston University**, with just over \$1 million awarded to the heavily-funded **Institute for the Study of Economic Culture** [ISEC]. The Institute's many activities reflect a solid resource base. It has made considerable efforts to work with other conservative institutions to disseminate its work broadly. The Institute reported in its 1995/1996 progress report its plans to produce a series of small books dealing with the "moral" basis of civil society, with possible publication by the right-wing Institute for Contemporary Studies Press. (ICS itself is a major grantee of the conservative foundations, receiving over \$1.5 million for its activities in the 1992-1994 period.)

Another ISEC project, developed with the American Enterprise Institute, focused on the role of “mediating structures” in social service delivery. The project produced a volume of project findings, entitled *To Empower People: From State to Civil Society*, edited by Michael Novak of AEI (also a major grantee), and was launched at a conference in Washington, D.C. The “crisis of the welfare state” has also been of Institute concern, the project idea for which came from the Lynde and Harry Bradley Foundation. The Institute is also working on additional studies. One study is on the burdens that government regulations impose on private sector service providers, conducted by a writer from the Heritage Foundation’s *Policy Review*. It will likely be published by the Boston-based Pioneer Institute for Public Policy Research, a state think tank that also received grant support from some combination of the 12 foundations. The other study concerns the relationship of the welfare state to “religiously defined social services.” The Institute reported that the two studies are aimed at finding “ways of protecting private institutions from the ‘fatal embrace’ of government.”

In addition to receiving sizable grants from conservative foundations, the ISEC has been generously supported by Boston University, whose president, John Silber, is a political and intellectual conservative who chairs the right-wing National Association of Scholars, also a major grantee (see below). Silber’s political orientation is clearly revealed in his 1993 President’s Report to University Trustees:

We have resisted the official dogmas of radical feminism. We have done the same thing with regard to gay and lesbian liberation... We have resisted the fad of Afrocentrism. We have not fallen into the clutches of the multiculturalists. We recognized that western civilization, so-called, is in fact a universal culture.¹²

Other grantees, such as **Hillsdale College**, appear to be even more ideologically-driven in their training efforts. In order to be able to train its students in “traditional values” and scholarship, Hillsdale makes a point of accepting no federal funding. Its promotional literature highlights the fact that the Templeton Foundation Honor Roll for Free Enterprise Teaching has ranked Hillsdale first among the nation’s colleges and universities for its traditional approach to higher education, quoting the following section of Sir John Marks Templeton’s letter of congratulation to the College president: “In this age of ‘politically correct’ advocacy among our colleges and universities, it is especially refreshing to honor Hillsdale College for its preservation of traditional values and its defense of liberty.”

The College publishes *Imprimis*, a monthly newsletter with the motto, “Because ideas have consequences,” and a circulation, the College claims, of more than 600,000. A 1993 issue profiled conservative philanthropy, with an article by the Bradley Foundation’s Michael Joyce on the role of giving in cultivating “good citizenship.”¹³ Perhaps more of the flavor of the College’s approach to higher education can be found in the writings of Hillsdale theology professor M. Bauman. In an article in *Disciples and Democracy: Religious Conservatives and the Future of American Politics*, he wrote:

The comments that are most successful today are those that are pointed, that are sharp, that are memorable... Logical arguments don’t very often win the day... It takes rhetorical power and aggressiveness to mobilize people around your cause.¹⁴

Academic Change Organizations

The 12 foundations directed a sizable pool of grant money to academic change organizations and networks in a highly sophisticated and aggressive effort to reverse the opening of American higher education to nontraditional scholarship and constituencies. Nearly \$8 million was invested in faculty networks, conservative accrediting institutions, student conservative publications and other organizations.

Top Academic Change Grantees		
	Total Grants Awarded	# of Grants Awarded
Intercollegiate Studies Institute	\$2,635,100	28
National Association of Scholars	2,170,000	14
Madison Center for Education Affairs	1,970,580	28
American Academy for Liberal Education	333,300	6
National Alumni Forum	100,000	1
Association of Literary Scholars and Critics	67,000	1

The **Intercollegiate Studies Institute**, a 44-year-old organization dedicated to free markets, limited government,

individual liberty, personal responsibility, and “cultural norms” consistent with a free society, was a top grantee. ISI now claims over 60,000 members and maintains an active presence on campuses by organizing forty conferences a year and more than 300 lectures. The Institute produced several publications including *Campus*, which attacks progressive trends in higher education, the *Common Sense Guide to American Colleges*, and an ISI leadership guide for conservative student activists.

Two other heavily funded organizations, the **National Association of Scholars** (NAS) and the **Madison Center for Educational Affairs** (MCEA), have also been vigorous participants in the broader conservative effort to restructure the academy by supporting conservative faculty and student activities while simultaneously attacking liberal university trends and progressive scholarship. NAS evolved out of an organization called the Coalition for Campus Democracy, itself formed under the auspices of the Institute for Educational Affairs and the ultra-conservative Committee for a Free-World. The Coalition for Campus Democracy was started in 1982 by Stephen Balch, with funding supplied by conservative foundations.

According to a report issued by the Center for Campus Organizing, R. Randolph Richardson, of the Smith Richardson Foundation, circulated a confidential memo in 1984 that discussed two academic change strategies: “deterrence activism” and “high ground articulation.” Richardson wrote that deterrence activism “exists purely in response to the left-wing agenda. It is not very interesting ... and it is the kind of activism sponsored heretofore. At best it is a form of cheerleading that can focus some attention on stirring media events.” Richardson thus advocated the “high ground” approach by supporting efforts to develop a critique of left-wing trends and articulating the need for academic standards and intellectual rigor through new networks, student journalism projects, and the like.¹⁵

In its present incarnation, the National Association of Scholars, founded by Herbert London and Steven Balch, presents itself as the vehicle for just such “intellectual renewal” and “academic standards.” Balch and London were the co-authors of “The Tenured Left,” published by *Commentary* magazine in 1986. With approximately 3,000 members, state and campus chapters and disciplinary caucuses, the NAS serves multiple functions. It sponsors or convenes conferences, publishes *Academic Questions*, and engages in wide-ranging political activities that include mobilizing its membership to sound the alarm over the alleged left-wing academic bias and lobbying public officials over education policy issues.

The **Madison Center for Educational Affairs**, created in

1991 by the merger of the Institute for Educational Affairs and the Madison Center, has served as a funding intermediary and technical assistance provider. Through its Student Journalism Project, MCEA had awarded grants annually totaling \$200,000 to support approximately 70 conservative college student publications. The Center also conducts conferences, sponsors summer internships for students, and funds book projects and other research.

In its funding role, MCEA continues the founding mission of the Institute for Educational Affairs, founded in 1978 with the assistance of William Simon (President of the Olin Foundation) and Irving Kristol (founder and editor of *The Public Interest*) for the precise purpose of linking corporate funders with sympathetic scholars. IEA stated its founding mission in the following terms:

To defend America’s 200 year old experiment in self-governance and economic freedom from a self-conscious cultural establishment eager to condemn the principles, aspirations, and loyalties of most Americans... Part of the Institute’s own uniqueness involves its very constitution: we brought together business leaders and scholars... We did so because one of our explicit goals was to demonstrate that there exists a natural harmony among enlightened philanthropy and enlightened scholarship.”

Targeting the Academy

Conservative foundations have also worked through their grantees in a sustained effort to reverse progressive policy and curricula trends on college and university campuses and to influence the flow of money to higher education institutions. This effort has involved a highly organized and multi-faceted campaign to manufacture and perpetuate a “crisis of the academy” in order to stimulate concern and action among public sector funders, private donors, and education consumers.¹⁶ As indicated above, funders have created and heavily supported academic change organizations and networks whose fundamental mission is to “take back” the universities from scholars and academic programs regarded either as too hostile to free markets or too critical of the values and history of Western civilization. This agenda was clearly articulated by T. Kenneth Cribb, president of the Intercollegiate Studies Institute, who stated in a lecture to the Heritage Foundation:

We must ... provide resources and guidance to an elite which can take up anew the task of enculturation. Through its journals, lectures, seminars, books and

fellowships, this is what ISI has done successfully for 36 years. The coming age of such elites has provided the current leadership of the conservative revival. But we should add a major new component to our strategy: the conservative movement is now mature enough to sustain a counteroffensive on that last Leftist redoubt, the college campus... We are now strong enough to establish a contemporary presence for conservatism on campus, and contest the Left on its own turf. We plan to do this by greatly expanding the ISI field effort, its network of campus-based programming.¹⁷

Funders also have heavily supported the writing and dissemination of books attacking “liberalized higher education,” including Allan Bloom’s *The Closing of the American Mind* (1986); Charles J. Syke’s *Profscam: Professors and the Demise of Higher Education* (1988); Roger Kimball’s *Tenured Radicals: How Politics Corrupted Our Higher Education* (1990), and Dinesh D’Souza’s *Illiberal Education* (1990). These books followed, built on and extended earlier attacks launched initially by the National Endowment of the Humanities, led by then-chairman, William Bennett, who had helped to set the stage for an expanded assault on progressive humanities scholarship with NEH’s publication of *To Reclaim a Legacy: A Report on the Humanities in Higher Education*.

The Olin Foundation has provided direct or indirect support for all of the works by Bloom, Kimball and D’Souza. According to a report prepared for the National Council for Research on Women, print media coverage of the debates began with a slow but steady trickle of articles about “political correctness” on college campuses in the 1988 to 1990 period, with 101 articles appearing in 1988 and increasing to 656 in 1990. Then, however, the number of articles skyrocketed, with 3,989 articles appearing in 1991, a 500 percent increase over the year before. Reflecting perhaps conservative successes in creating the appearance of crisis, “one of the most noticeable common denominators in these articles was their reliance — apparently unchallenged by first-hand reporting or by other journalists — on a relatively small number of campus incidents, often the same few, to bolster the case for an alleged epidemic of suppression.”¹⁸

Once the idea of “political correctness” became fixed in the public mind, funders supported both the individual and institutional efforts launched by political conservatives to redirect public and private sector dollars from “liberal” higher education purposes toward conservative ones. They had the support of Lynne V. Cheney, a current grantee who served as Bennett’s successor at NEH between 1986 and 1993. While at

NEH, Cheney extended Bennett’s crusade against politically correct education, staffing the upper echelons of the NEH with neo-conservative supporters and opposing NEH funding of nontraditional approaches to the humanities. Cheney departed with the election of Bill Clinton, prompting conservative donors and grantees to refocus some of their strategies, particularly in the funding arena.

In 1993, conservatives, with the funding support of the Bradley, Olin and Scaife Foundations, organized a symposium at New York University,

the targets of which were the National Endowment of the Humanities and the National Endowment of the Arts. The proceedings, subsequently published by the Center for the Study of Popular Culture, outlined the new lines of attack. They accused the endowments of supporting projects of



Lynne Cheney, National Alumni Forum

questionable intellectual, artistic or moral value, and attacked them for allegedly inefficient funding operations. The developing argument was that the endowments’ activities represented an extreme misuse of taxpayers’ money and that consumer (or market) demand, not government programs, should dictate which projects get support and which do not.

Herbert London, the founder and chairman of NAS, raised the charge of government’s irresponsible use of tax revenue. In his view, President Lyndon Johnson had intended that the Great Society support the arts and humanities through the endowments, established in 1965. “At this juncture, it was assumed that spending money would inexorably lead to fine art and notable scholarship,” London said, arguing that that had not proved true, “yet the money mill is still in service, and those who reap its rewards refuse to examine the abuses in this government system.”¹⁹ Not surprisingly, this critique developed, by 1995, into a full-blown legislative attack on the funding of both the NEH and the NEA, with proposals to cut appropriations between 30 and 60 percent and eventually to terminate the agencies altogether.

At the same time, other privately-funded efforts were underway to steer donors to more traditional educational institutions or academic pursuits. With the support of conservative funders, conservative academic change organizations like ISI have created new “counter-institutions” to support restructuring efforts. In 1994, ISI established the **National**

Alumni Forum, whose mission is to “organize alumni support for academic freedom and challenge practices and policies that threaten intellectual freedom and undermine academic standards. Alumni giving — at \$2.9 billion annually and growing — is the largest private source of financial support for higher education. The Forum will help alumni direct their giving to programs that will raise educational standards at their alma maters.” The Bradley and Olin foundations provided the seed money to get the NAF up and running.

Directed by Lynne Cheney, the NAF recently launched a national advertising campaign to “outline troubles in higher education” and to give visibility to its newly created vehicle for alumni giving, the Fund for Academic Renewal. The campaign is placing one-third page advertisements in the Ivy League alumni magazines encouraging alumni to contact the NAF and to use the NAF’s **Fund for Academic Renewal** to help them target their gifts rather than allowing their alma maters to spend money without “donor input.”

The coordinated nature of these efforts reflects the willingness of conservative foundations and their academic sector grantees to practice what Ellen Messer-Davidow has quite aptly called “real politics.” She contrasts (and criticizes) progressive intellectuals and faculty members for their failure to grasp the hard-ball political nature of institutions like ISI and NAS. Progressive scholars, she argues, have largely responded to the right’s attack on higher education on intellectual grounds, as if the higher education was a “bounded enterprise” unaffected by larger political forces. The misguided view that “intellectual activity is somehow insulated from the scuffles of partisan politics” is a logic that fails to describe the “the real world — where conservatives attack cultural, social and economic programs; where they deploy wedge strategies to fracture traditional categories of privileged/oppressed; and where they use institutions every which way — establishing, maintaining, reforming, and transforming them to achieve their political ends.”²⁰

National Think Tanks and Advocacy Groups

No set of institutions has done more to set the national policy agenda than some of the heavily-funded think tanks and advocacy groups listed below. All are focused on national budget and policy priorities and are especially well funded. Over the 1992-1994 period, the foundations profiled in this

report poured close to \$80 million into these organizations, \$64 million of which was invested in multi-issue policy institutions with a major focus on shaping national domestic policy and \$15.2 million of which was granted to policy research and advocacy organizations focused on national security and foreign policy issues. Much of this grant money was concentrated in just a handful of institutions.

The five top grantee institutions, for example, received \$28.7 million to finance a range of activities. They are the Heritage Foundation, the American Enterprise Institute, Free Congress Research and Education Foundation, the Cato Institute, and Citizens for a Sound Economy. Other major grantees receiving multiple grant awards in excess of \$2 million included the Hudson Institute, the Hoover Institution, the National Bureau of Economic Research, the Manhattan Institute and the Ethics and Public Policy Center.

The Heritage Foundation

Over the 1992-1994 period, the Heritage Foundation garnered the greatest level of grant support, receiving close to \$9 million in 42 separate grants. With money like that, the title of its 1995 Annual Report, *Leadership in the New Conservative Era*, is not just hubris. Indeed, the Heritage Foundation has been one of the most visible and influential think tanks in Washington over the past 17 years, with a revenue base that grew by over 40 percent per year in the second half of the 1970s and at a steady pace since then, with total revenues from all sources more than doubling over a recent ten-year period, from \$14 million in 1986 to \$29.7 million in 1995.²¹



“We don't just stress credibility... We stress an efficient, effective delivery system. Production is one side; marketing is equally important.”

Edwin J. Feulner
The Heritage Foundation

National Think Tanks/Advocacy Groups: Top Grantees

	Total Grants Awarded	# of Grants Awarded
Heritage Foundation	\$8,979,852	42
American Enterprise Institute	6,934,852	45
Free Congress Research & Education Foundation	4,962,000	19
Cato Institute	3,927,557	27
Citizens for a Sound Economy	3,795,000	29
Hudson Institute	3,261,780	42
Hoover Institution	3,196,300	34
National Bureau of Economic Research	2,135,000	15
Manhattan Institute	2,114,140	45
Ethics and Public Policy Center	2,089,820	20
Institute for Contemporary Studies	1,513,800	17
George C. Marshall Institute	1,250,300	9
Reason Foundation	1,166,030	27
Claremont Institute for the Study of Statesmanship and Political Philosophy	976,626	16
National Taxpayers Union Foundation	815,000	10
National Center for Policy Analysis	789,000	19
Competitive Enterprise Institute	736,500	21
Political Economy Research Center	701,000	16

Its substantial resources and commitment to policy activism gave Heritage significant access to power in the early 1980s, the pinnacle symbolized by the release of *Mandate for Leadership*, a 1093-page volume of policy analyses and recommendations prepared to influence and assist the Reagan transition team in 1981. The timely release and comprehensiveness of *Mandate for Leadership*, subsequently updated and reissued in 1984 and 1988, indicates Heritage's unique operational style. Unlike other think tanks whose work has often been organized according to a system of academic "stars," Heritage has organized itself much more closely along a production model in order to deliver a stream of policy products to key audiences on a timely and efficient basis. It has hired dozens of relatively inexperienced policy analysts who are largely told what to write and how to write it.²² In this way, Heritage has been able to run with current events and issues, feeding ideas to Congressional sympathizers while exerting constant pressure on more liberal lawmak-

ers via lobbying and media manipulation. The Foundation's sense of timing was seen again more recently, with its substantial input into Congressman Newt Gingrich's Contract with America.²³

Operating with over 100 management and professional staff, communications specialists, policy analysts and senior fellows, including former high-ranking government officials like William Bennett, Jack Kemp and Edwin Meese, Heritage produced over 200 policy products in 1995, widely distributing them to a variety of audiences, including Congressional aides, lawmakers, journalists, and activist constituencies. In the words of Heritage Foundation President Edwin J. Feulner, "We don't just stress credibility... We stress an efficient, effective delivery system. Production is one side; marketing is equally important." In a straightforward declaration of its advocacy purpose, Heritage Vice President of Government Relations, David Mason, stated that "we come up with the

ideas and then provide the research and analysis to people who will champion those ideas in the political arena.”²⁴

According to one analysis of Heritage Foundation operations, the “delivery system consists of four marketing divisions: Public Relations markets ideas to the media and the public; Government Relations to Congress, the Executive branch, and government agencies; Academic Relations to the university community, Resource Bank institutions (including state think tanks), and the international conservative network; and Corporate Relations to business and trades. Division marketing is coordinated at twice weekly meetings of the senior management, but policy research drives the marketing process.”²⁵

As effective, timely and influential as Heritage has been in marketing its policy analyses and recommendations, it does not stop with the mere production and dissemination of its policy products to officials and journalists. Indeed, as Stuart Butler, Vice President of Domestic and Economic Policy at Heritage, acknowledged, “The unique thing we have done is combine the serious, high-quality research of a ‘traditional think tank’ like the Hoover Institution or Brookings Institution with the intense marketing and ‘*issue management*’ capabilities of an activist organization” [emphasis added].²⁶

In its activist role, Heritage has been linking policy analysts, Republican party officials, conservative scholars and grassroots constituencies together for years. It maintains a Resource Bank of over 2000 individuals and organizations working from the right on a range of issues, publishing each year a *Resource Guide to Public Policy Experts* to make this data bank widely available. It has also organized a bi-monthly working group of conservative organizations, maintains a Speakers Bureau to bring “Heritage’s conservative message” to college campuses, holds policy briefings in House and Senate offices, and sends policy analysts out to appear on radio talk shows on a regular basis across the country. One of its most recent projects (1995) was to enter the Internet along with the *National Review* and nine other conservative groups, including Newt Gingrich’s Progress and Freedom Foundation.

In 1995, Heritage policy analysts conducted 200 briefings on Capitol Hill and made over 500 radio talk show appearances. Through its Government Integrity Project, Heritage also played a lead role in reviving older “defund the left” strategies of the early 1980s, helping to hatch the Istook Amendment to restrict nonprofit organizations and public interest groups with federal contracts and grants from engaging in lobbying.

Since its founding in 1973, Heritage has been clear about the need for an aggressive approach to public policy reform, stating, “While other ‘traditional’ think tanks still cling to the notion that their work will leave its imprint on Washington through a process of osmosis, Heritage efforts are deliberate and straightforward.”²⁷

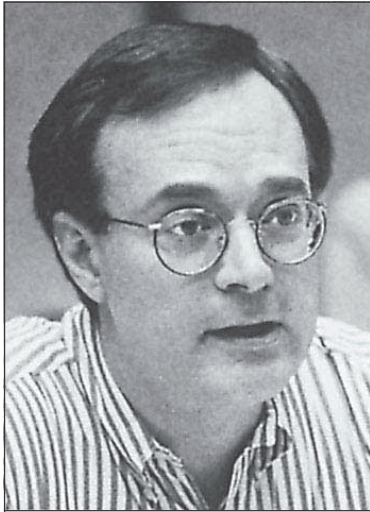
The American Enterprise Institute

The American Enterprise Institute, which was formed in 1943 and has in the past functioned as a more traditional think tank, has nonetheless been regarded as exercising significant influence in Washington circles. Indeed, while acknowledging the generally important policy role of national think tanks, Ronald Reagan said of AEI that “[no think tank] has been more influential than the American Enterprise Institute.”²⁸

Second on the list of grant recipients of the conservative foundations, AEI garnered close to \$7 million over the 1992-1994 period to help finance its work in domestic and foreign policy affairs. Senior AEI staff include Robert Bork, Lynne Cheney, Charles Murray, Michael Novak, and approximately 30 other conservative public intellectuals and activists, many of whom are closely intertwined with the institutional apparatus of the right. William Baroody, Jr., AEI’s president between 1978 and 1986, was explicit about AEI’s intention to mobilize public and elite opinion and to shape major national policy issues, acknowledging that policy relevance depends to a great extent on effective techniques to relate ideology to constituency.²⁹

Judging from AEI’s own statements, the institution has moved to assume a more aggressive and conservative public policy role, perhaps owing to conservative efforts to “defund” the think tank during the mid-1980s when some judged its research orientation to be too centrist. In 1986, the Olin and Smith Richardson foundations withdrew their support from AEI because of substantive disagreement with certain of its policies, causing Baroody to resign in the ensuing financial crisis. Today, AEI contrasts the sequestered nature of much university-based research with its own efforts to produce products of “immediate, practical utility” aimed at developing solutions to “real world” policy problems. In 1995, Demuth indicated in an interview with *Insight* magazine that the November 1994 elections moved national budget issues and regulatory reform higher on AEI’s agenda, which has at any rate always had an emphasis on such domestic economic issues as the deregulation of business and the privatization of government services.

Like Baroody, DeMuth has understood the importance of cultivating relationships and building influence through the marketing of policy ideas and products. In the Institute's 1994 Annual Report, DeMuth stated, "We are delighted to be members in good standing of the Washington Establishment,



"We are delighted to be members in good standing of the Washington Establishment, called upon many times each day for Congressional testimony, media commentary, and advice on all manner of current policy issues."

**Christopher C. DeMuth
American Enterprise Institute**

Options for Congress"), and others on tax reform, telecommunications deregulation and tort reform.

AEI staff and affiliated scholars also produced over 600 articles and studies in 1995 and 1996, with titles like *Fairness and Efficiency in the Flat Tax*, *The Frayed Social Contract: Why Social Security Is in Trouble and How It Can be Fixed*, and *Slouching Toward Gomorrah: Liberalism and American Decline*. In 1995, it also published Dinesh D'Souza's racist tract, *The End of Racism*, the publication of which prompted the resignation of another AEI fellow, Robert Woodson, President of the National Center for Neighborhood

Enterprise and himself an advisor to Newt Gingrich on neighborhood solutions to persistent poverty and other social problems.

Free Congress Research and Education Foundation

Third highest on the list of grantees over the 1992-1994 period, the Free Congress Research and Education Foundation describes itself in its 1995 annual report as a "non-partisan, non-profit, tax-exempt research and education institution dedicated to conservative governance, traditional values and institutional reform." Led by Paul Weyrich, who also co-founded the Heritage Foundation, Free Congress received \$5.0 million in grants over the 1992-1994 period to assist it in its efforts "to return to our nation's origins in limited government and personal liberty, despite the overweening power of the leviathan state."³²

One of Free Congress' major (and now independent) programs is National Empowerment Television, a nationwide, interactive, 24-hour television network described in 1992 by political commentator David Gergen as "the creation of a new politics in America" for its ability to mobilize and interact with core constituencies on issues ranging from immigration to tax policy to welfare reform.³³ The organization claims that NET now carries "its message of cultural conservatism and anti-Establishment politics into more than 11 million homes."³⁴

Weekly offerings include *Borderline*, a forum for discussion of conservative views on immigration policy; the *Cato Forum*, which provides the Cato Institute with an on-going opportunity to promote its beliefs concerning the illegitimacy of taxes and government regulation; *Legal Notebook*, providing discussion and perspectives by legal analysts on crime in America; *Straight Talk*, produced in conjunction with the right-wing Family Research Council; and *On Target With the National Rifle Association*. Special series and programs currently under development include *Science Under Siege*, co-produced with the Competitive Enterprise Institute (dedicated to the dissemination of what it calls "free market scholarship" in support of such issues as utility deregulation and the repeal of mandated fuel economy standards), and *Ways and Means*, a monthly hour-long show to inform core constituencies about important public policy debates and what viewers can do to take action.

Free Congress president Paul Weyrich said that, in his 25 years of conservative political activism, NET is the most exciting thing he has done, stressing the communication benefits that accrue from conservative-controlled media. "In any

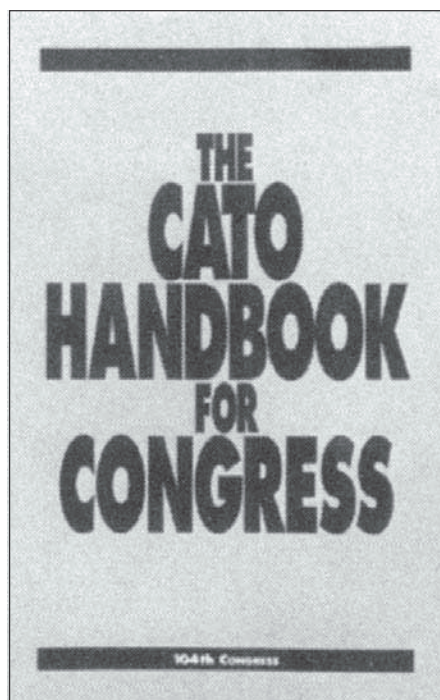
kind of battle,” Weyrich stated, “communication is number one. So at last we have a tool that is extraordinary in its ability to interest people, to get them motivated.”³⁵

Another major Free Congress program, the Kriebel Institute, is now adding to Free Congress’ mobilization capacities. Formerly focused on communist bloc countries, the Institute initiated a grassroots political training program in 1995 to take advantage of the “conservative revolution” at home. Teaming up with the Congress’ Center for Conservative Governance, it launched a series of satellite conferences to develop conservative leadership at the grassroots level, training 1066 individuals in its first-round efforts. Conference curricula included how to manage the media, frame issues, raise funds, and use technology in the campaign process.

The Cato Institute

Founded in 1977 by libertarian activists, the Cato Institute moved to Washington, D.C. in 1981 in a bid to become an influential player in Washington policy circles. Today, Cato is a multi-million dollar, multi-issue research and advocacy organization with a staff of 40-plus senior managers, policy analysts, and communications specialists. It is also assisted by the work of over 75 adjunct Cato scholars, including ultra-conservative law professors Richard Epstein (University of

Chicago) and Henry G. Manne. Cato’s mission is to “increase the understanding of public policies based on the principles of limited government, free markets, individual liberty, and peace. The Institute will use the most effective means to originate, advocate, promote, and disseminate applicable policy proposals that create free, open, and civil societies in



the United States and throughout the world.”³⁶

Toward that end, the Institute publishes books and policy analyses, works extensively through the media, organizes conferences and policy briefings, and testifies regularly before Congress and other policymaking bodies on a wide range of issues. Following the November 1994 elections, the Institute published and delivered to every member of Congress *The Cato Handbook*, a 358-page, 39 chapter volume containing policy reforms and proposals in every vital public policy area, including budget and tax reduction, social security, Medicare, education, environmental reform, and foreign and defense policy. One year later, the Institute launched its Project on Social Security Privatization, co-chaired by Jose Pinera, Chile’s former minister of labor and welfare, and William Shipman, of State Street Global Advisors, which has been actively promoting private alternatives to social security, both financially and via an extensive public relations campaign.

Assisted by a powerful advisory board of business leaders, conservative economists and other conservative political leaders, the Project plans to spend \$2 million in a public relations campaign to depict social security as crisis-ridden and in need of significant reform. Cato has also “helped establish the House caucus on public pension reform, offering information, discussion topics, speakers, even identifying potential members.”³⁷ A voice that for years has encouraged the privatization of social security, Cato has also promoted the idea of medical savings accounts. Other, on-going projects include the Cato Center for Constitutional Government which seeks to apply the doctrine of enumerated powers, or the belief that the federal government should be limited to those powers enumerated in the Constitution, to such areas as property rights, federalism, tort reform, and economic liberty.

Citizens for a Sound Economy

Though perhaps less known to many, another major foundation grantee, Citizens for a Sound Economy, is no less active as a policy actor in Washington and in many states. Founded in 1984, it openly and aggressively advocates market-based solutions to the nation’s economic and social problems. Chaired by C. Boyden Gray, former counsel to President Bush, CSE’s self-described mission is “to fight for less government, lower taxes, and less regulation.” It has been heavily supported for its efforts, receiving \$3.8 million over the 1992-1994 study period. Following the 1994 Congressional elections, CSE’s bud-

get expanded dramatically. The organization reported spending just under \$17 million to advance its policy objectives in 1995.³⁸ What that money has bought is impressive.

In 1995, CSE produced more than 130 policy papers, with each distributed to every office on Capitol Hill. It also conducted 50 different advertising campaigns, distributed 8000 pieces of mail, appeared on over 175 radio and television news shows, placed a total of 235 published op-ed articles, received coverage of CSE positions and activities in more than 4000 news articles around the nation, released periodic “scorecards” grading the fiscal restraint of key Congressional committees and subcommittees, generated more than 42,000 telephone calls from CSE members to elected officials, distributed dozens of faxes summarizing research on the budget, and co-chaired two grassroots coalitions supporting tax relief and a balanced budget.

In addition, focus group research has helped CSE “create effective advertising products,” propaganda used to develop grassroots and communications tools to promote flat tax proposals. CSE also maintains a sophisticated data base of 37,000 “super activists” to whom the organization can appeal in the larger fight for “free enterprise” and has hired 19 field directors across the country to build “strategic alliances” in 17 states.

CSE has also entered the fight on social security privatization. Nancy Mitchell, Vice President for Public Policy, reported in 1996 that the organization plans to spend \$2 million “trying to make the political climate more friendly” to privatization, paying particular attention to shaping the views of older people, women and the twenty-something generation. CSE plans to maximize impact by focusing “on states represented in Congress by members who sit on the Senate Finance Committee and the House Ways & Means Committee, both of which have jurisdic-

tion over Social Security. The campaign, which should be in full swing sometime in 1997, will include newspaper, radio, and TV ads, and the distribution of anti-Social Security tracts.”³⁹

Other Major Grantees

Joining Heritage, AEI, Free Congress Foundation, the Cato Institute and Citizens for a Sound Economy are scores more institutions and activist organizations, both large and small, with similar free-

market, limited government commitments and steady foundation backing. Among the largest is the **Hoover Institution**, whose antipathy to federal social welfare policies was recently expressed by the chair of the Hoover board when he declared that “there is growing realization that we either must accede to the gathering force of the welfare state or return to the more promising ways of

freedom.”⁴⁰ Hoover, with \$3.2 million in grants between 1992-1994 and an operating budget of close to \$19 million in 1995, has focused particular attention on tax policy, promoting the flat tax for well over a decade and organizing policy briefings and conferences on the issue last year. It was, according to one well-placed journalist and author, one of four leading policy institutions that pulled the nation’s economic policy debate to the right in the early 1980s.⁴¹

The **Ethics and Public Policy Center** is one of several grantees devoted to improving public appreciation of the role of business in what it terms a “moral society.” It was founded by Ernest Lefever, who expressed his concern that “U.S. domestic and multinational firms find themselves increasingly under siege at home and abroad. They are accused of producing shoddy and unsafe products, fouling the environment, robbing future generations, wielding enormous power, repressing peoples in the third world, and generally of being insensitive to human needs. We as

Citizens for a Sound Economy: States which Are Field Directed or Have State Affiliates



Source: CSE 1995 Annual Report

a small and ethically oriented center are in a position to respond more directly to ideological critics who insist the corporation is fundamentally unjust.”⁴²

The **National Center for Policy Analysis**, prides itself on aggressively marketing its products for maximum impact by “targeting key political leaders and special interest groups, establishing on-going ties with members of the print and electronic media, and testifying before Congress, federal agencies, state lawmakers, and national associations.”

Numerous other examples exist that illustrate how this dense, growing and well-funded infrastructure of conservative policy

organizations, most of whom refer to themselves as think tanks or research institutes, have worked assiduously and often in concert to push a deeply conservative policy agenda at the national, state and local levels. As one investigative journalist stated years ago in a pioneering investigation of the conservative philanthropy of Richard Scaife, “layer upon layer of seminars, studies, conferences, and interviews [can] do much to push along, if not create, the issues, which then become the national agenda of debate. . . . By multiplying the authorities to whom the media are prepared to give a friendly hearing, [conservative donations] have helped to create an illusion of diversity where none exists. The result could be an increasing number of one-side debates in which the challengers are far outnumbered, if indeed they are heard from at all.”⁴³

Sponsoring Conservative Minorities

One expression of conservative foundations' effort to train and sponsor conservative leadership concerns their support of scholars and policy analysts in communities of color. In addition to their support of Dinesh D'Souza and Linda Chavez, established minority voices whose work is directly or indirectly supported include:



Thomas Sowell

- ▶ Thomas Sowell, Senior Fellow, Hoover Institution and author of numerous books attacking welfare state policies and denying or minimizing the effects of racial prejudice on the lives of African-Americans. One of Sowell's latest works is *The Vision of the Anointed: Self-Congratulation as the Basis for Social Policy*, which critiques what he calls the failed policies of the welfare state over the past 30 years.
- ▶ Shelby Steele, a relatively obscure professor of English in California who was rapidly elevated to public visibility by the anti-affirmative action message in his book, *The Content of Our Character*. Steele now serves as a resident scholar at the Hoover Institution.

- ▶ Walter E. Williams, a John M. Olin Distinguished Professor of Economics at George Mason University, who is also a senior fellow at both the Heritage Foundation and the Hoover Institution.
- ▶ Robert Woodson, founder of the well-funded Center for Neighborhood Enterprise, who has consistently opposed federal anti-poverty initiatives as reinforcing of dependency and who was selected to serve as an advisor to Congressman Newt Gingrich in 1996 on neighborhood issues.
- ▶ Glen Loury, now teaching at Boston University, who has disdained the civil rights movement, blaming the "social disorganization of blacks," manifested in high rates of teenage pregnancy, black crime and the like, for the lack of progress of the African American community as a whole.
- ▶ Alan Keyes, most recently a GOP presidential candidate whose extreme views have placed him as a regular on Free Congress Foundation's National Empowerment Television and as a favorite on the Conservative lecture circuit.

In addition to the funding of minorities with conservative policy views, the foundations supported major institutions, such as the Institute for Contemporary Studies, which sponsored the first national gathering of black conservatives in 1980, or particular projects, including the Alternative Black Speakers Project (Young America's Foundation), Project 21 which seeks to identify and feature black conservatives (The National Council for Public Policy Research), the National Institute for Traditional Black Leadership, and the Minnesota Network for Conservative Black Leadership (Center for the American Experiment).

Marketing Policy: Media and Communications Efforts

The danger of a narrowed public policy debate is a real one, particularly given the strong marketing orientation of research and advocacy institutions like the Heritage Foundation and the American Enterprise Institute. Indeed, the institutional grantees of conservative foundations have well understood the importance of marketing in a media age. AEI's former president, William Baroody, for example, demonstrated this understanding during his ten-year tenure when he stated:

I make no bones about marketing... We pay as much attention to the dissemination of the product as we do to the content. We're probably the first major think tank to get into the electronic media. We hire ghost writers for scholars to produce op-ed articles that are sent to the one hundred and one cooperating newspapers — three pieces every two weeks.⁴⁴

An article published in the Heritage Foundation's *Policy Review* in the late 1980s made the same point. Entitled "So You Want to Start a Think Tank," it advised:

The easy part is getting your message right. The real test is getting your message out... Everything you do, every day, must involve marketing in as many as six dimensions. Market your policy recommendations, market the principles and values behind them, market the tangible publications and events your organization is producing. Market the think tank concept itself. Then market your specific organizations. And never stop marketing yourself and the other key individuals who personify the organization.⁴⁵

The Heritage Foundation is well-positioned to offer such

advice, aggressively having moved to influence public policy debates. Early on, Heritage created a variety of "consumption" formats for its policy products and, as was mentioned, maintains an entire public relations division to cultivate relationships with major media outlets and disseminate its policy ideas through them.

Such marketing goes well beyond Heritage and the American Enterprise Institute. Almost all of the major institutional grantees of these 12 conservative foundations have developed sophisticated media and communications efforts. The Hoover Institution maintains an active public affairs office which links it to 900 media centers across the United States and 450 media outlets abroad. The Reason Foundation, a national public policy research organization that also serves as a national clearinghouse on privatization, has developed an aggressive communications strategy, resulting in 359 television and radio appearances and over 1500 print-media citations in national newspapers and magazines in 1995 (see below). The Manhattan Institute has held over 600 forums or briefings for journalists and policymakers on multiple public policy issues and concerns, from tort reform to federal welfare policy. And the National Center for Policy Analysis reports that "NCPA ideas" have been discussed in 573 nationally syndicated columns and 184 wire stories over the twelve years of its existence.⁴⁶

Evidence of the success of these and other conservative grantees at monopolizing political debate in the media is found in a recent report stating that right-wing think tanks receive far greater media attention than their progressive, or even centrist, counterparts. While conservatives have been decrying the media's left-wing bias for over a decade, media references to

The Voice of Reason

In 1995, the Reason Foundation's impact on national policy is evidenced by our expanded outreach through the media, events, and testimony.

	Monthly Average		Yearly Total		% Increase
	1995	1994	1995	1994	
# of print-media citations	130	101	1,557	1,209	29%
combined print-media circulation	24.2 million	7.6 million	290.5 million	91 million	219%
# of television and radio appearances	30	10	359	116	209%
# of television appearances only	6	3	76	35	117%
# of speaking appearances	16	10	191	125	53%

A box from the Reason Foundation's 1995 Annual Report demonstrates an ability to garner media attention.

conservative think tanks in 1995 far outnumbered references to center or left-of-center research institutes. Based on a search of major newspapers and radio and television transcripts, Michael Dolny found that conservative institutions were cited or mentioned almost 8000 times while liberal or progressive think tanks received only 1152 citations.⁴⁷

The marketing of conservative policy ideas has also been accomplished through a variety of conservative-controlled media outlets and projects (discussed below), newsletters and policy journals, and other simple communications tools. As journalist Lawrence Soley observed in 1990, think tanks have created their own “research” journals to help mask “the academic anemia” of their researchers. Noting that these “journals bear names that closely resemble those of legitimate journals,” Soley states that they have produced what appears to be impressive credentials for their policy staff. At the time that Soley wrote, AEI’s William Schneider, for example, had published 16 articles in the Institute’s *Public Opinion*, but not a single article in *Public Opinion Quarterly*, a respected journal of social science published since 1937. Yet, Soley states, Schneider became one of the most “sought-after” political pundits, appearing 72 times on network news programs between 1987 and 1989. He also served as a regular political commentator for National Public Radio’s “Morning Edition” during the same time period.⁴⁸

The **Claremont Institute for the Study of Statesmanship and Political Philosophy** launched a strategic initiative in 1995 to support and extend what it referred to in its annual report as “the conservative revolution of 1994.” This initiative consists of a co-publishing venture with William F. Buckley’s *National Review*, entitled *National Review West*, that goes out to 80,000 political conservatives in the Western states. Then there are the Free Congress Foundation’s new National Empowerment Television companion communique, *NetNewsNow*, a broadcast fax letter read by more than 400 radio producers and news editors around the country, and the **Heartland Institute’s** *PolicyFax*, which makes a variety of easy-to-read policy reports available without charge to any journalist or legislator requesting them.

Conservative ideas marketing and political advocacy have also extended impressively to the Internet, with the Heritage

Foundation and other major grantees now signing on to the World Wide Web to make their policy ideas, written products and up-coming events even more widely accessible. Most, if not all, of the major grantees appear to maintain Web sites, offering information on their organizations and summaries and/or full texts of policy articles, position papers and reports.

It would be a serious mistake to think of these think tanks exclusively as marketing-based policy institutions. However, not only have the grantees sought, largely successfully, to monopolize policy debate in the media, many also have impressive training and mobilizing capacities and a strong convening or coalition-building orientation. These are dimensions of their work that conservative foundations have also supported. Approximately \$15 million in grants was devoted to “networking” activities, defined as support for conferences, meetings, lecture series, speakers bureaus, and leadership training projects. Millions more was invested in a broader effort to create and cultivate grassroots leaders and public intellectuals. All of this, of course, reflects a clear understand-

ing, in the words of Free Congress Foundation’s Paul Weyrich, that “ideas have consequences only when they are connected to action.”⁴⁹

While the conservative foundations directed the bulk of their grant resources to national think tanks and advocacy organizations and

academic-sector institutions, they also invested a significant pool of grant money — \$41.5 million — in the development and maintenance of media vehicles and projects, nonprofit law firms, state-level policy organizations, and advocacy groups working to shift religious views and philanthropic practices to the right.

Media Groups

The foundations provided \$16.3 million in grants to help political conservatives shape public and elite opinion. This money has supported three interlocking purposes: the development of right-wing media outlets, the development of conservative public affairs programming on public television and radio and the development of right-wing media critics to exert

Based on a search of major newspapers and radio and television transcripts, Michael Dolny found that conservative institutions were cited or mentioned almost 8000 times while liberal or progressive think tanks received only 1152 citations.

pressure on the media mainstream into covering the right's political and policy agenda.

Multiple grants totaling \$1.7 million were awarded to the **American Spectator Educational Foundation**, with over \$600,000 provided to expand editorial staff and reporting at *The American Spectator*, \$515,000 in flexible general operating support, and \$485,000 in special project funding. Large grants were also awarded to **National Affairs**, the funding vehicle for *The Public Interest* and *The National Interest* (\$1.9 million), and the **Foundation for Cultural Review** for *The New Criterion* (\$1.6 million). An additional \$1 million was awarded to support *Commentary* magazine. Most of this grant money was awarded on an unrestricted basis, allowing these groups considerable flexibility to bolster their circulation, launch special projects or develop their analytical and reporting capacities.

The American Spectator, for example, had a circulation of 38,000 in 1992. Today, the magazine reports a subscription base of 335,000. While increased circulation has been partly attributed to talk show boosting by Rush Limbaugh,⁵⁰ the strong financial support of the conservative foundation community has assisted the *American Spectator* in its reportorial sensationalism and on-going efforts to keep alive a variety of scandals and attacks aimed at its political opponents in the center and on the left.

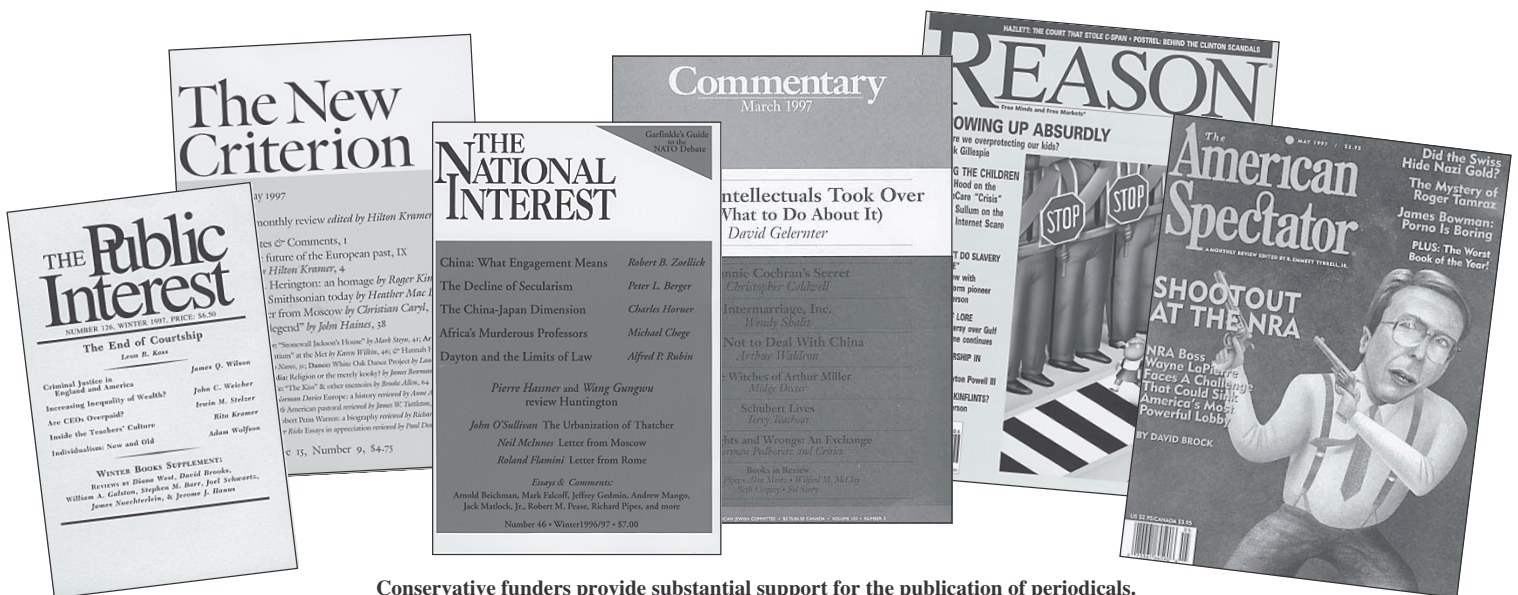
Other funds were directed to groups like the **American Studies Center**, whose central mission is “to improve the public’s understanding of public policy issues.”⁵¹ ASC’s “Radio America” affiliate produces programming which can be heard on approximately 2000 radio stations across the country. ASC also produced “Reagan Reconsidered: A 12 part Documentary” and plans to

launch a 24-hour-a-day radio network to broadcast “news, debate and analysis.” The foundations provided \$410,000 in grants to support the general operations of Radio America as well as specific broadcast projects, “What’s the Story,” a weekly program on the media itself, and a documentary series on black conservatives. Money was also provided to support two conservative daily radio shows — the “Alan Keyes Show” and “Dateline Washington.”

Another \$3.2 million was awarded for on-going support of such public television public affairs programs as William F. Buckley’s *Firing Line*, Ben Wattenberg’s *Think Tank*, *Peggy Noonan on Values*, and other conservative news analysis shows.

Consistent with their efforts to expand opportunities for the airing of conservative viewpoints while narrowing them for progressive ones, conservative foundations have also provided significant support to right-wing critics of public broadcasting and the mainstream media. A total of \$5.2 million was awarded to support the work of the **Center for the Study of Popular Culture**, **Accuracy in Media**, the **Center for Media and Public Affairs**, the **Center for Science, Technology and Media**, the **Media Research Center**, the **Media Institute**, and others. Each of these organizations has worked “to perpetuate the myth of a liberal bias in mainstream media reportage,”⁵² with particular criticism leveled against the Public Broadcasting Service.

The Center for the Study of Popular Culture has been a leader in the assault on PBS. With seed money provided by the Sarah Scaife Foundation, CSPC launched the Media Integrity Project in 1987 to attack PBS for “left-wing bias.” The Center for Media and Public Affairs has also added its voice to the effort, timing the release of a major report alleging PBS bias to coincide



Conservative funders provide substantial support for the publication of periodicals.

with Republican efforts to reduce funding for the Corporation for Public Broadcasting. Other critics include Laurence Jarvik, a former Bradley Research Scholar at the Heritage Foundation and a current fellow at the Capital Research Center (see below), who has called for the privatization of PBS. Jarvik recently published a new attack, *PBS: Behind the Scenes* (1997), which Milton Friedman has described as a “splendid, hard-hitting yet fair-minded statement of the case for subjecting public broadcasting to market discipline.” Accuracy in Media criticized PBS for “blatantly pro-Communist propaganda” and the Media Research Center argued that the Corporation for Public Broadcasting no longer serves any reasonable public purpose.⁵³

All of these efforts have contributed to a climate that makes right-wing issues and views increasingly respectable. They have also placed sustained pressure on major media to adjust or accommodate to right-wing attacks. Through scandalmongering and issue emphasis, conservative media outlets help to shape the news agenda for more established media while organized attacks on public television have led PBS to respond to its critics by augmenting already substantial conservative public affairs programming.⁵⁴ The result is an even further narrowing of viewpoint. As the former dean of the Graduate School of Journalism at the University of California, Berkeley, Ben Bagdikian, has observed in the context of growing concentration of media ownership, “what gets reported enters the public agenda. What is not reported may not be lost forever, but it may be lost at a time when it is most needed.”⁵⁵

Legal Organizations

A total of \$10.5 million was awarded to finance the litigation and public education activities of a core group of pro-market law firms and other law-related institutions actively seeking to overturn affirmative action, environmental regulations, rent control laws, and other government programs or statutes deemed inconsistent with the principles of economic liberty, freedom of contract or association, and private property. In a report on the efforts of conservative donors to remake legal theory and practice in ways more congenial to corporate or commercial

interests, the Alliance for Justice noted that such pro-market law firms “represent a redefinition of the term ‘public interest organizations,’ historically understood to mean those fighting to give a voice to indigents and other disenfranchised.”⁵⁶

Among litigation groups, the **Institute for Justice** (IJ) was the top grant recipient, receiving a combined total of \$2.4 million in 22 separate grant awards over the 1992-1994 period. The Institute’s brochure asserts that “All Americans suffer as the intrusive presence of government in economic and private affairs grows relentlessly... Through strategic litigation, training and outreach, the Institute secures greater protection for individual liberty, challenges the scope and ideology of the Regulatory Welfare State, and illustrates and extends the benefits of freedom to those whose full enjoyment of liberty is denied by government.”

The Institute reports that its litigation, training and outreach activities focus on four areas: private property rights, economic liberty, school choice, and the First Amendment. It sponsors seminars “to teach the philosophical foundation and tactical application” of the Institute’s work, training law students, attorneys and policy activists “to use the unique tools of public interest litigation and advocacy.” The Institute also maintains a talent bank to match lawyers with prospective cases, publishes a bi-monthly newsletter, *Liberty and Law*, and regularly conducts outreach to major media.

As part of the right’s sustained effort to reframe public understanding and debate regarding affirmative action, the Institute’s litigation director, Clint Bolick, advanced the case in a recent opinion editorial published in *The New York Times* that affirmative action is equivalent to the Supreme Court’s *Plessy v. Ferguson* decision upholding the “separate but equal” doctrine legitimating racially discriminatory practices. Bolick, who also wrote *The Affirmative Action Fraud*, formerly worked under Clarence Thomas at the Equal Employment Opportunity Commission. He earlier had made a name for himself through a *Wall Street Journal* opinion editorial in which he dubbed President Clinton’s nominee for Assistant Attorney General for Civil Rights, Lani Guinier, the “quota queen.”

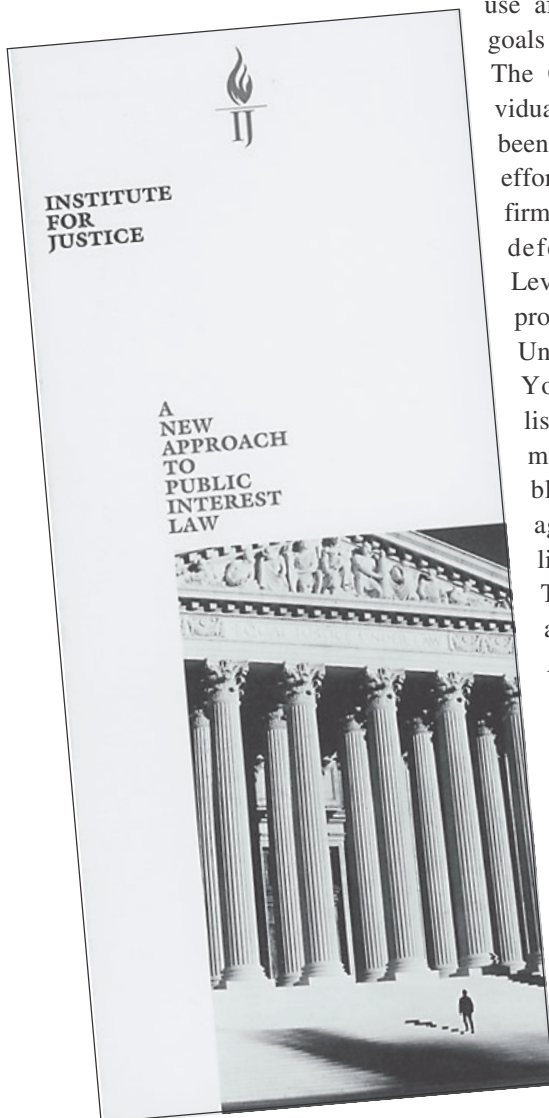
The Institute for Justice’s budget increased to over one million dollars just 11 months after it was founded in 1991. It has had an extraordinarily active history in the years since,

Through scandalmongering and issue emphasis, conservative media outlets help to shape the news agenda for more established media while organized attacks on public television have led PBS to respond to its critics by augmenting already substantial conservative public affairs programming.

filing its own lawsuits against government regulations, writing *amicus* briefs with such conservative scholars as Richard Epstein (on property rights) and Abigail Thernstrom (on race-based redistricting), sponsoring law student conferences, hosting training seminars for policy activists, forming a Human Action Network of seminar alumni, appearing on ABC's public affairs program, *20/20*, and defending school choice.

Two other heavily funded grantees, the **Center for Individual Rights** and the **Washington Legal Foundation**, also have worked to reverse affirmative action programs of the federal government and higher education institutions. The Washington Legal Foundation has been active on the issue since at least 1985, when its director, Paul D. Kamenar, issued a report, *Revising Executive Order 11246: Fulfilling the Promise of Affirmative Action*, urging the Reagan Administration to eliminate federal requirements that contractors

use affirmative action goals and timetables.⁵⁷ The Center for Individual Rights has also been active in broader efforts to overturn affirmative action. It has defended Michael Levin, a philosophy professor at the City University of New York whose published work has promoted the idea that blacks, "on average," are less intelligent than whites. The Center has also litigated the *Hopwood v. Texas* case, which has been described as the "first full-blown constitutional challenge to racial preferences in student admissions since *Regents of the University of California v. Bakke*."⁵⁸



The foundations also heavily funded the **Federalist Society for Law and Public Policy Studies**, a growing network of law students, alumni and attorneys devoted to the spread of conservative legal principles. The Society, founded by two Yale law school students in the early 1980s, received \$1.6 million in grants to support its efforts to transform the legal profession, which it sees as "currently dominated by a form of liberal orthodoxy [advocating] a centralized and uniform society." Toward that end, the Society coordinates the work of both a Student Division and Lawyers Division. According to the Federalist Society's 1995 annual report, the Student Division has over 4,900 law student members in more than 140 law schools across the country, up from 2,137 members in 1989.

The Society also reported that its Lawyers Division expanded at a "record-setting pace" in 1995. It now has over 15,000 attorneys and legal professionals and more than 50 active chapters. These chapters held 167 events in 1995 and were active in assembling networks of lawyers and community activists to influence local, state and national policy makers. Chapter events included a four-part lecture series on shaping a civil rights agenda for the 21st century; invited speakers included Michael Horowitz of the Hudson Institute and Michael Greve of the Center for Individual Rights.

The Federalist Society also activated a *Pro Bono* Resource Network of conservative attorneys who make themselves available to conservative nonprofit law firms. It publishes a quarterly, *The Federalist*, with a circulation of 57,000, and other legal monographs and reports. The Society also initiated, in 1992, a Continuing Legal Education program to "focus on vital areas where the practice of law and public policy intersect." The first workshop focused on "Takings and the Environment: The Constitutional Implications of Environmental Regulation." Its ninth Annual Lawyers Convention attracted more than 500 attorneys to discuss "Group Rights, Victim Status, and the Law," with such speakers as American Enterprise Fellow Dinesh D'Souza, *Weekly Standard* editor William Kristol, neo-conservative Glenn Loury, former Attorney General (and current fellow at the Heritage Foundation) Edwin Meese, and Supreme Court Justice Clarence Thomas.

State and Regional Think Tanks and Advocacy Groups

In an era where devolution of authority from the federal to state governments remains a key philosophical element of the

conservative agenda, conservative funders have been careful to build the conservative policy movement at the state level. Over \$9 million was awarded to policy institutions with a primary focus on state policy issues or regional concerns. The growth of state policy organizations has been extensive, with over 60 state or regionally-based conservative think tanks built over the 1980s and early 1990s to capitalize on devolutionary policies pursued by the Reagan Administration.⁵⁹

Top groups include the **Wisconsin Policy Research Institute** and the California-based **Pacific Institute for Public Policy Research**. Since its inception, the Institute in Wisconsin has been heavily funded by the Bradley Foundation and has been active in its efforts to shape state education and welfare policy in accordance with key conservative principles. The Pacific Institute most recently was an active proponent of California's Proposition 209, the ballot initiative intended to eliminate affirmative action in that state.

Another grantee, the **Heartland Institute**, publishes *Intellectual Ammunition*, a glossy, 25-page news and information journal. The journal features in condensed form the policy statements and position papers of most of the think tanks and advocacy organizations to which the 12 foundations directed grants between 1992 and 1994. The May/June 1996 issue introduced one of the Institute's newest innovations, *PolicyFax*, an insert to appear regularly. In a written welcome/introduction to the first *PolicyFax* insert, Illinois state senator Chris Lauzen described the service in the following terms:

PolicyFax is a revolutionary public policy fax-on-demand research service that enables you to receive, by fax, the full text of thousands of documents from more than one hundred of the nation's leading think tanks, publications, and trade associations. *PolicyFax* is easy to use, and it's free for elected officials and journalists [emphasis added].

The 24-hour a day, seven day a week service transmits requested documents instantaneously, with topics ranging from crime to the economy to welfare. Titles include *South Carolinians Have Nothing to Worry about from Concealed Handguns*, *Four Steps to Reforming Superfund*, *Medical Savings Accounts: The Right Way to Reform Health Care*, *Benefits of the Flat Tax* and *Effective Compassion*.

The foundations have also provided support to two networking institutions, the **American Legislative Exchange Council (ALEC)** and the newer **State Policy Network**. Both are devoted to supporting the conservative policy movement at

the state level through the provision of technical assistance, the development of model legislation, communications activities and conferences. ALEC, well-funded by private family foundations and corporate contributors, is a powerful and growing membership organization, with almost 26,000 state legislative members and 30 staff. In 1994, over one-third of the nation's state legislators were members. The organization, which responds to approximately 700 requests for information each month, has developed more than 150 pieces of model legislation. It maintains legislative task forces on every important state policy issue, including education, health care, tax and fiscal policy, and criminal justice.⁶⁰

While the \$9.3 million awarded to support state policy institutions represents a substantial sum of grant money, a good deal more cash goes to support state-level policy initiatives. Many of the conservative foundations' national grantees maintain an active interest in the state policy movement. Having pushed for devolution at the federal level, national think tanks have worked to influence state level policy decisions and/or to cultivate and support state policy groups. The heavily-funded Manhattan Institute, for example, which works to influence national policy, has also sought to influence state and local policy decisions in New York. The **Center for the Study of Market Processes** recently announced that it is expanding its Policymaker Education Program to the states, with pilot programs to be initiated for state legislatures in Texas and Minnesota. Both were among the top 25 grantees over the 1992-1994 period, receiving over \$2 million in awards.

The Hoover Institution has also helped support the state policy movement recently, holding a conference in 1995 for leaders of state-based think tanks and policy research organizations to assist them in more effectively using information technologies. And the Heritage Foundation has played a leading role in the state policy movement, housing the American Legislative Exchange Council, organizing annual conferences for state think tanks, publishing its resource guide to public policy experts, and in general serving as a model for effective policy research and marketing activities.

Religious Sector Organizations

The foundations also awarded grant money to organizations committed to challenging the social views and practices of the nation's religious leaders. The funds flowing to religious sector groups, such as the Institute for Religion and Public Life,

the Institute on Religion and Democracy, and the Acton Institute for the Study of Religion and Liberty, reflect conservative efforts to attack and transform mainstream institutions, in this case mainline Protestant denominations and clergy and many Roman Catholics.

The **Institute on Religion and Democracy** was founded in 1982 to “promote religious liberty around the world” and to “fight for church reform” domestically, believing that “the National and World Councils of churches are theologically and politically flawed.” Its early focus was international, supporting U.S. foreign policy in Central America during the Reagan years. Today, IRD publishes *Faith and Freedom* and monitors “mainliners and other Christian groups that often claim to speak for millions but really represent only an extreme few.” IRD also published in 1994 *Prophets and Politics: Handbook on the Washington Offices of U.S. Churches*, whose author, Roy Howard Beck, is best known for his vociferous attack against the United Methodist Church.⁶¹

The **Institute for Religion and Public Life** and the **Acton Institute** both seek to influence the religious community through seminars, colloquia, sponsored research, book projects, newsletters and journals. They work to instill a stronger appreciation of the morality of capitalism in the U.S. and around the world. IRPL publishes *First Things* ten times a year. In the words of its editor, conservative Catholic Richard Neuhaus, “It would be disingenuous of us to pretend to an attitude of disinterestedness and neutrality in the culture wars that wage about us.” The President of the Acton Institute expresses a similar social viewpoint, drawing on Hoover Institution Fellow Thomas Sowell’s notion of a “conflict of visions” to pose the following two questions: “Will we pursue an unconstrained and unattainable vision of society planned and controlled from the center? Or will we recognize the limits of the state and place decision making with those most affected, granting the poor the liberty and property needed to restore a vibrant community and economic life?”⁶²

The Acton Institute’s central mission is to counter what it sees as “the clergy’s disturbing bias against the business community and free enterprise,” principally by convening three-day conferences for seminarians and divinity students in order to “introduce them to the moral and ethical basis of free market economies.” In 1995, the Institute also launched a national welfare reform initiative to help shape national policy debates, believing that “churches and private individuals and organizations, not the government, can best help change people’s lives.” Michael Joyce, of the Bradley Foundation, was a featured speaker at the Institute’s 1996 conference while Institute staff also participated in activities organized by other conservative foundation grantees, such as the Koch Summer

Fellows Program at George Mason University, the Intercollegiate Studies Institute, and Focus on the Family.

Like the figures provided on state-based funding, religious sector funding, at \$3.26 million, somewhat understates the amount of money that conservative funders have invested in shaping religious views. Other multi-purpose institutions with programs related to religious sector activities have been heavily funded. Michael Novak received \$293,550 to support his program on religion, philosophy and public policy at the American Enterprise Institute. Novak is the author of *The Spirit of Democratic Capitalism* and serves as an advisor to the Institute on Religion and Democracy. The American Enterprise Institute also promotes a new quarterly, *This World*, which focuses on religion, morality and economic issues.⁶³ Another major national think tank grantee, the Ethics and Public Policy Center, places particular emphasis on clarifying and reinforcing “the bond between the Judeo-Christian moral tradition and public debate over domestic and foreign policy issues.” Central among EPPC activities is on-going analysis of the moral reasoning and policy positions of organized religion.

Other national think tanks, both large and small, have also engaged religious and cultural conservatives’ concern over the nation’s morality, pushing the idea of national moral decline and linking what is seen as its most insidious expressions (teenage pregnancy, single-parent families, crime and drugs) to the ceaseless expansion of the Leviathan state. This linkage between morality, poverty and government spending — consistently propagated by a wide range of conservative grantees — has contributed to the movement’s overall political coherence, helping to bridge the tensions between Religious Right activists and the often more secular fiscal conservatives. When moral failure is invoked to explain the plight of the poor, both can unite around a policy agenda stressing market discipline and the replacement of government social programs with personal responsibility. As James Morone has so trenchantly noted, “Once the lines are drawn [between a righteous us and a malevolent them], one can forget about social justice, progressive thinking, or universal programs. Instead the overarching policy question becomes, “How do we protect ourselves and our children? Never mind health care — build more jails.”⁶⁴

Philanthropic Institutions and Networks

Many of the 12 conservative funders have played leadership roles in the broader effort to mobilize and redirect philan-

thropic resources for conservative purposes. They have done so by supporting organizations whose mission is either to encourage conservative philanthropic practices or launch attacks on what conservatives regard as "liberal" grantmaking and grantseeking institutions. Over the study period, \$1.549 million was granted to support the work of the Capital Research Center (CRC) and the Philanthropy Roundtable. CRC was founded to rally corporate donors to conservative causes and to expose what CRC regards as the unacceptably liberal orientation of nonprofit grantees. In its brochure, the Philanthropy Roundtable describes its work as "motivated by the belief that philanthropy is most likely to succeed when it focuses not on grand social designs, but on individual achievement, and where it rewards not dependence, but personal initiative [and] self-reliance."

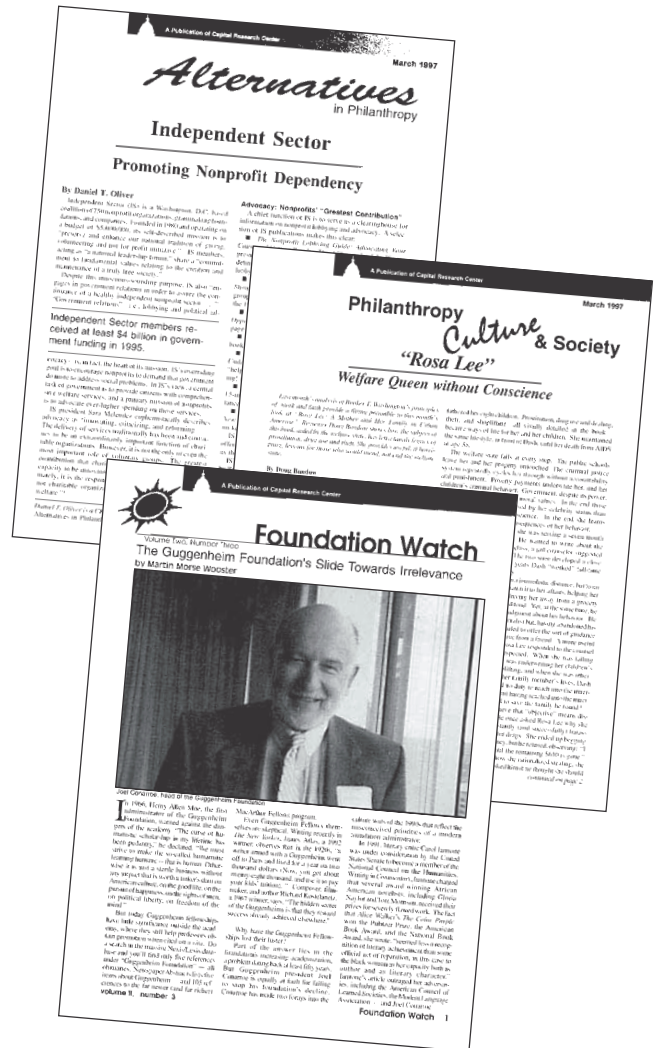
At the same time, foundations like Bradley, SmithRichardson, Olin, and others have increased their advocacy of conservative philanthropy, playing leadership roles within the Philanthropy Roundtable and assuming a strong public stance via media interviews, opinion editorials, articles (usually published in the journals of grantee institutions), and conference presentations. In combination, these and other efforts have the clear potential of tilting mainstream philanthropy toward ever greater caution or conservatism in a climate where few institutions have remained unaffected by the nation's shifting political center.

The **Philanthropy Roundtable** is a growing membership organization whose 430 institutional and individual donors are committed to the Roundtable's founding principle that voluntary action offers the best means of addressing society's needs. It was founded in the early 1980s, when conservative donors left the Council on Foundations to protest the Council's adoption of *The Principles and Practices of Effective Grantmaking*, a statement intended to encourage its members toward greater public openness and accountability. With the presidents and trustees of major conservative foundations as officers and members of the board, the Roundtable today expresses ironic concern over the "politicization of philanthropy." Michael Joyce, president of the Bradley Foundation, currently chairs the Roundtable's board of directors. James Piereson (Olin Foundation), Joanne B. Beyer (Scaife Family Foundation), David B. Kennedy (Earhart Foundation) and Chris Olander (JM Foundation) serve with him. The Roundtable holds annual and regional conferences, provides technical assistance to individual donors and grantmaking foundations (placing special emphasis on donor intent), and publishes occasional monographs on topical issues, including *The Market Foundations of Philanthropy* and *Local Organizations as Problem-Solvers*.

Roundtable monographs reflect an effort to "theorize" the

voluntary sector's role in American society in ways consistent with pro-market policy objectives. This has involved the development of a rationale for ending the partnership between government and the nonprofit sector in the delivery of services. The Roundtable is adding its voice to the growing number of new right grantees aggressively articulating the virtues of a philanthropic paternalism that would in effect place the poor under the direct moral guidance of the rich, or those who have presumably demonstrated their moral superiority through hard work, self-reliance and personal responsibility. Growing concern over declining "social capital" is used to buttress conservative claims that government expansion stifles the philanthropic impulse and that private philanthropy, not government, is the proper and most effective vehicle for responding to social needs, encouraging civic responsibility and restoring social trust.

The **Capital Research Center** is active in the larger effort to encourage both corporate and private foundations to align their philanthropic interests more closely with the market



Capital Research Center publishes a series of monthly newsletters attacking "liberal" grantmaking.

system that made their wealth possible. In its annual *Patterns of Corporate Philanthropy*, CRC attacks corporate foundations and programs whose giving practices it feels are at odds with business positions. It also seeks to steer donors to “good nonprofits” and targets for critical exposure those [liberal] organizations that “with tax-exempt, tax-deductible — and sometimes tax dollars — mix advocacy and ‘direct action’ to promote their own vision of the public interest.” Like many of the other foundation grantees, CRC publicly states its commitment to “a vigorous and strong private sector, the cornerstones of which are the free-market economy, constitutionally-limited government, individual liberty, and a strong sense of personal responsibility.”

CRC has launched *Foundation Watch* to critique the “liberal” funding initiatives of major philanthropies. A recent issue of the publication carried a new attack on the Campaign for Human Development for its funding of poor people’s organizations and other social action groups. Other issues of the newsletter have targeted a range of foundations, including the MacArthur Foundation, the Robert Sterling Clark Foundation, and environmental grantmakers. CRC board members and advisors include

Terence Scanlon, a former appointee of the Reagan Administration and former vice president of the Heritage Foundation; Linda Chavez, also a former Reagan appointee and current president of the conservative Center for Equal Opportunity; William Simon, president of the Olin Foundation; Adam Meyerson, vice president at the Heritage Foundation; Walter E. Williams, the John M. Olin Distinguished Professor of Economics at George Mason University; Michael Novak, American Enterprise Institute senior fellow; and T. Kenneth Cribb, president of the Intercollegiate Studies Institute.

If the Roundtable and CRC comprise the core, formal infrastructure for the conservative funding movement, other grantee institutions provide occasional practical assistance and steady philosophical or ideological support. The policy journals, newsletters and conferences of conservative grantees have served as vehicles for the promotion and dissemination of right-wing viewpoints on the role of philanthropy in the “post-welfare” society. The Heritage Foundation has promoted the thinking of Michael Joyce and Heather Richardson Higgins by publishing and distributing “What is Conservative Philanthropy?” as part of the Heritage Lecture Series. Higgins, a



In Autumn 1996, Heather MacDonald of the Manhattan Institute claimed that the country's big foundations "have become the battering ram targeted at American Society."

Selected Top Conservative Grantees, 1992-1994

	Total Grants Awarded	# of Grants Awarded
National Think Tanks and Advocacy Groups		
Heritage Foundation	\$8,979,852	42
American Enterprise Institute	6,934,945	45
Free Congress Research & Education Foundation	5,097,200	25
Cato Institute	3,927,557	27
Citizens for a Sound Economy	3,795,000	27
Hudson Institute	3,261,780	42
Hoover Institution	3,196,300	34
National Bureau of Economic Research	2,135,000	15
Manhattan Institute	2,114,140	45
Ethics and Public Policy Center	2,089,820	20
Reason Foundation	1,166,030	27
National Taxpayers Union Foundation	815,000	10
National Center for Policy Analysis	789,000	19
Competitive Enterprise Institute	736,500	21
Political Economy Research Center	701,000	16
Institute for Research on the Economics of Taxation	359,000	7
Media Groups		
Center for the Study of Popular Culture	\$3,270,000	19
National Affairs (<i>Public Interest, National Interest</i>)	1,937,000	13
American Spectator Educational Foundation	1,694,000	23
Foundation for Cultural Review	1,650,000	12
Center for Media and Public Affairs	1,181,000	22
American Jewish Committee (<i>Commentary</i>)	1,020,000	10
Accuracy in Media	365,000	3
Center for Science Technology and Media	325,000	9
Education and Research Institute	241,000	12
Legal Organizations		
Institute for Justice	\$2,425,000	22
Washington Legal Foundation	2,098,500	14
Federalist Society for Law & Public Policy Studies	1,599,000	27
Center for Individual Rights	1,251,100	13
Pacific Legal Foundation	725,000	9
Landmark Legal Foundation	600,000	11
Atlantic Legal Foundation	317,000	9
New England Legal Foundation	285,000	8
Southeastern Legal Foundation	150,000	3
State and Regional Think Tanks and Advocacy Groups		
Wisconsin Policy Research Institute	\$3,372,500	9
Pacific Research Institute for Public Policy	676,000	21
Commonwealth Foundation for Public Policy Alternatives	519,500	10
American Legislative Exchange Council	385,500	6
State Policy Network	215,000	8
Religious Sector Organizations		
Institute on Religion and Public Life	\$1,857,000	12
Institute on Religion and Democracy	635,000	8
Acton Institute for the Study of Religion & Liberty	265,000	16
Philanthropic Institutions and Networks		
Capital Research Center	\$1,166,000	21
Philanthropy Roundtable	383,000	12

trustee of the Smith Richardson Foundation and current president of the conservative Randolph Foundation, has also published her thoughts



“Coalition building — having a broad spectrum of voices pushing on an issue — is a crucial. By defining the broad bands of debate, you can shift the perception of what constitutes the moderate, reasonable center.”

**Heather Higgins
The Randolph Foundation**

From her presentation on Strategic Grantmaking at the 1995 Philanthropy Roundtable conference

.”⁶⁶ She goes on to mount an ideologically-driven attack on Ford, MacArthur, Rockefeller and other major funders for funding what she calls “the dissemination of diversity ideology, the ‘collaboration’ movement in community development and public interest litigation and advocacy.” She then ridicules Carnegie’s Alan Pifer for having “absurdly accused

on grantmaking strategies in the Heritage Foundation’s *Policy Review*. In an article entitled “The Politics of Virtue: A Strategy for Transforming the Culture,” she stated that “being right is not enough. Coalition building—having a broad spectrum of voices pushing on an issue — is crucial. By defining the broad bands of debate, you can shift the perception of what constitutes the moderate, reasonable center.”⁶⁵

The Manhattan Institute’s *City Journal* also published a full-scale attack on the major philanthropies by Heather MacDonald, a shorter version of which was published in *The Wall Street Journal*. MacDonald, a senior fellow at the Institute, wrote that the country’s big foundations used to be agents of social good, but today “have become the battering ram targeted at American soci-

ety.”⁶⁷ She goes on to mount an ideologically-driven attack on Ford, MacArthur, Rockefeller and other major funders for funding what she calls “the dissemination of diversity ideology, the ‘collaboration’ movement in community development and public interest litigation and advocacy.” She then ridicules Carnegie’s Alan Pifer for having “absurdly accused the country of tolerating a return to “legalized segregation” in 1982 while lamenting a more recent (and rather measured) statement by Peter Goldmark of the Rockefeller Foundation that we “urgently need...a national conversation about race...to talk with candor about the implications of personal and institutional racism.”⁶⁷

Others funded by conservative foundations are also taking up this message and promoting it to broader audiences via opinion essays and editorials in major media outlets and trade publications. In a statement reminiscent of Ronald Reagan’s 1982 declaration that “government is the problem,” Adam Meyerson, vice president of educational affairs at the Heritage Foundation, declared in a recent issue of *Foundation News & Commentary*, “I bring you the sad message that mainstream American philanthropy is part of the problem in this country, it is not part of the solution.” Not surprisingly, Meyerson went on to encourage foundations to stop with its “bean-counting obsession with diversity” and begin to fund “social entrepreneurs” like the Hudson Institute, Capital Research Center, Focus on the Family and the Reason Foundation, whose activities reflect a traditionally conservative, pro-market approach to social issues and public needs.⁶⁸

Conservative foundations’ increasingly pro-active efforts to shape American philanthropy are also reflected in the creation of a new commission, chaired by Lamar Alexander. The brainchild of the Bradley Foundation, the new National Commission on Philanthropy and Civic Renewal states that its central purpose is “to show that ‘less from government, more from ourselves’ is the right principle by which to revive America’s communities and to make the best decisions about charitable giving.” The Alexander Commission plans to issue a report in the summer of 1997 that will critically examine the “ever-closer entanglement of philanthropy with government,” and generate a set of recommendations, or what the Commission calls a “road map” for giving in a post-big-government era. The Commission identifies three groups as its principal audience: the decision makers of large national and community foundations, affluent Americans who will be giving or bequeathing trillions of dollars over the coming years, and lawmakers who shape policies affecting private giving in America.

The Strategic Funding of Conservative Foundations

The data on grants and grantee institutions show that the 12 foundations studied have developed and implemented a number of cross-cutting funding strategies designed to build a base for significant policy change. These strategies include the funding of an ideological agenda, building strong institutions, concentrating grant resources, focusing on the national policy framework, supporting media, marketing and communications activities, creating and cultivating public intellectuals and policy leadership, utilizing multiple social change strategies and long term funding. Each are more fully elaborated below.

Funding an Ideological Agenda

The foundations directed all of their non-academic grant awards and a good many of their academic grants to organizations unabashed in their core commitment to the overarching framework of unregulated markets, limited government and traditional values. The vast majority of grants was awarded to institutions which make an aggressive and presumptive case for industrial and environmental deregulation, the privatization of government services, deep cuts in government programs serving low income constituencies, reductions in capital gains

and corporate income taxes and the transfer of responsibility for social programs from government to the charitable sector.

Building Strong Institutions

The foundations provided substantial support, much of it on an unrestricted basis, to build and sustain strong institutions. Toward this end, they awarded a total of \$75.9 million in general operating support from 1992 through 1994, or 36 percent of the \$210 million awarded overall. This is well above the 18 percent that all grantmaking foundations provided in 1994, according to *Foundation Giving* published by the Foundation Center in 1996. If academic grants are excluded on the basis that they tended to be targeted for very specific programs or purposes, the percentage of general operating support grants rises to 48 percent, or almost half of all grant dollars. The provision of general operating support is significant for the flexibility it gives to grantees to respond to short-term opportunities and concerns. It also provides institutional stability and allows grantees to focus on longer-term objectives without the distraction of developing new programs to attract donor support.

As the table below shows, the percentage of grants awarded

General Operating Support Grants by Sector

Strategic Sector	Total Grants Awarded	General Operating Support	General Operating as % of Total Grants
Academic	\$88,967,402	\$17,298,740	19%
National Think Tank/Advocacy	64,047,746	26,360,149	41
Media	16,357,200	9,735,000	60
National Security/Foreign Affairs	15,189,043	7,602,984	50
Legal	10,531,465	6,496,700	62
State Think Tanks/Advocacy	9,335,990	5,566,500	60
Religion	3,265,887	1,577,294	48
Philanthropy	2,143,560	1,157,250	54
Other	701,252	136,000	19
Totals	\$210,539,617	\$75,930,617	36%

as general operating support was highest among nonprofit law firms, with 62 cents out of every grant dollar awarded to support their general operations. Of the grants awarded for media-related purposes and to state-based think tanks, 60 cents out of every grant dollar were awarded as general operating support.

Resource Concentration and National Focus

The foundations concentrated their grant resources to a considerable degree, awarding \$83 million to just 25 nonprofit organizations or programs out of a total grantee universe of 576 grantees. The next group of 25 received awards totaling \$39 million. These 50 institutions thus absorbed a combined total of \$122 million, or about 58 percent of the total awarded to conservative groups. The next 50 largest grant recipients also received substantial support, with \$39 million awarded over the three-year period. The top 100 recipients, or 17 percent of the total grantee universe, were awarded over three-quarters of total dollars. Fifty-seven grantees received over \$1 million in total awards and 46 received \$500,000-\$999,000.

Foundation resources were also heavily directed to *national* policy and advocacy institutions in recognition that the national policy framework greatly affects conditions, issues and decisions at the state, local and neighborhood level. The bulk of the grant money awarded went to institutions and individuals whose mission or work is primarily intended to inform and change national budget priorities and policy decisions.

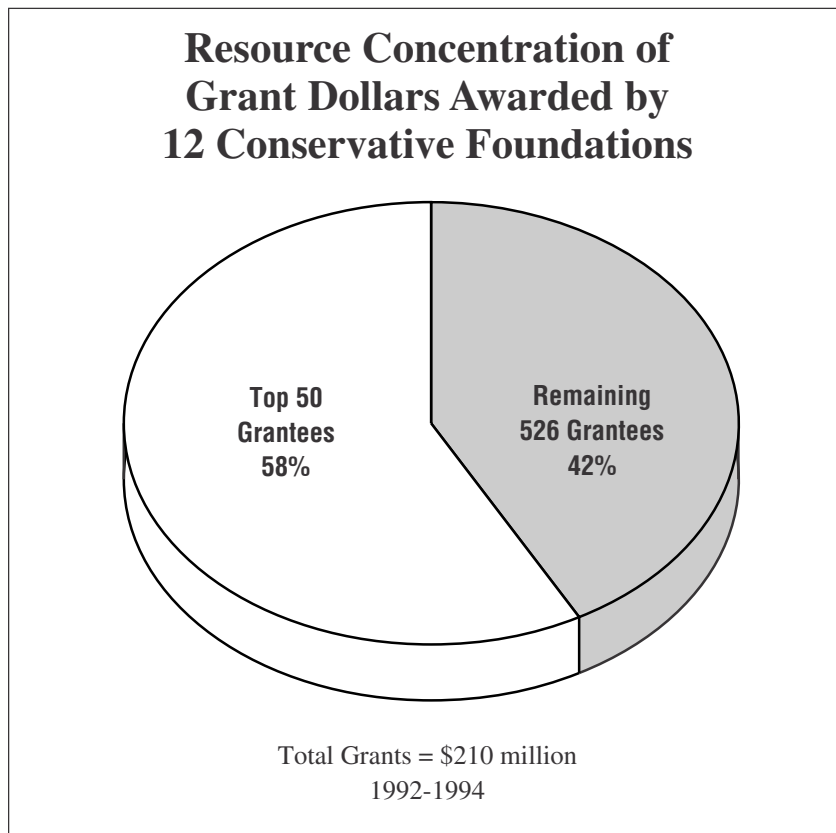
Media, Marketing, Communications and Networking

The foundations have demonstrated their strong appreciation of the role that marketing and communications play in a political era dominated by media. Their multi-faceted efforts to foster an “ideas industry” have proceeded on the understanding that the effective marketing of policy ideas is often more important to the change process than the ideas themselves. They thus directed significant support to a core set of institutions with strong marketing orientations and impressive communications and mobilizing capabilities.

Not only did these funders award nearly \$32 million in *unrestricted* dollars to aggressive and entrepreneurial think tanks like the Heritage Foundation, they also provided another \$16 million to develop conservative-controlled media, underwrite conservative programming on public television and radio and influence the public affairs and cultural programming of the media mainstream. In addition, over \$13 million was provided to conservative organizations to convene policy conferences and strategy

meetings, develop communications tools and initiate public education campaigns.

These and other grants have supported or enabled institutions to develop a significant capacity to access major media and keep their policy views before the widest possible audience. Their steady support of activist, marketing-oriented institutions has also forced other institutions to contend with or react to a policy agenda strongly shaped by conservative policy views and interests.



Creation and Cultivation of Public Intellectuals

The foundations invested considerable money in the creation and cultivation of conservative policy leaders and public intellectuals. Almost \$10 million was granted to academic and non-academic institutions to finance senior fellowship positions to confer added prestige and policy authority to emerging and established conservatives and provide to them an institutional platform to pursue particular policy interests and acquire greater public visibility. Included among the list of fellowship recipients were the following:

- ▶ Dinesh D'Souza, American Enterprise Institute (\$483,023)
- ▶ Robert Bork, Heritage Foundation (\$459,777)
- ▶ Irving Kristol, *The National Interest* and *The Public Interest* (\$380,600)
- ▶ Paul Craig Roberts, Institute for Political Economy (\$300,000)
- ▶ William Bennett, Heritage Foundation (\$275,000)
- ▶ Linda Chavez, Manhattan Institute/Center for Equal Opportunity (\$240,000)
- ▶ Norman Podhoretz, Hudson Institute (\$50,000)
- ▶ Abigail Thernstrom, Manhattan Institute (\$25,000)

Other grants were made to support the research and programs of other prominent conservatives such as Michael Novak, who received close to \$300,000 to support his program in religion and public policy at the America Enterprise Institute, and Diane Ravitch, who received \$210,000 for her work in education reform at New York University.

Cross-Sectoral Funding and Support of Multiple Social Change Strategies

Finally, the foundations targeted grants across the institutional spectrum in recognition that a variety of institutions and reform strategies are required for broad-based social transformation and policy change. Thus, grant support has flown to academic institutions and programs, faculty and student networks, independent policy institutions, litigation firms, leadership training programs, alternative media outlets, philanthropic networks, and other organizations seeking to shape the social views and policy perspectives of the public, political leaders, religious leaders and the donor community.

Long Term Funding

Consistent with their institution-building focus, many of these foundations have engaged in similar funding efforts for as long as two decades. This long term support has financially anchored conservation institutions, helping them to attract additional funding and maintain high level visibility and policy influence.

Conservative Philanthropic Resource Mobilization Since the Early 1970s

The contemporary origins of the conservative funding movement go back to the early 1970s when William E. Simon, former treasury secretary under the Nixon and Ford Administrations, and other prominent conservatives began to urge individual and corporate donors to align their philanthropy more closely with their political and public policy interests.

For Simon, who became the president of the John M. Olin Foundation in 1977 and still has that title, one key element of that alignment involved funding public intellectuals who could provide a sound defense of free-market policies and government roll-back that were so ardently desired by new right enthusiasts. In *Time for Truth*, regarded as a manifesto of the conservative movement, Simon wrote: “Funds generated by business must rush by the multimillions to the aid of liberty . . . to funnel desperately needed funds to scholars, social scientists, writers, and journalists who understand the relationship between political and economic liberty.” He called on the business community to “cease the mindless subsidizing of colleges and universities whose departments of economy, government, politics, and history are hostile to capitalism,” and to move funds from “the media which serve as megaphones for anti-capitalist opinion” to those more “pro-freedom” and “pro-business.”

Although Simon’s *Time for Truth* may be the most well-known conservative manifesto calling for increased business support of organizations and activities dedicated to a limited government, anti-regulatory agenda, it was neither the first or only such call. As early as 1971, Supreme Court Justice Lewis Powell, then an attorney in Virginia, was advising businesses about how to counter what he perceived to be a growing anti-business sentiment among the general public. Specifically what was needed were “coordinated efforts by business to oppose the efforts of environmentalists, consumer rights advocates and others who propagandize against the system, seeking invidiously and constantly to sabotage it,” Powell argued in a memo entitled “Attack of American Enterprise System.”

In a speech before the U.S. Chamber of Commerce, Powell also noted the utility or importance of judicial action by

conservative defenders of the free enterprise system: “Other organizations and groups . . . have been far more astute in exploiting judicial action than American business. It is time for American business — which has demonstrated the greatest capability in all history to produce and influence consumer decisions — to apply their greatest talents to the preservation of the system itself.”⁶⁹ His calls for donor support of litigation by pro-business firms led the California Chamber of Commerce to propose the establishment of the Pacific Legal Foundation, subsequently founded in 1973. Among the oldest business-sponsored nonprofit law firms, PLF’s founding mission, according to a 1976 article in *Barron’s*, was to “stem the rampage of environmentalists and clever poverty lawyers suing to obtain welfare checks for people regardless of need at taxpayer’s expense.”⁷⁰

Irving Kristol’s *Two Cheers for Capitalism* also recommended that “corporations make philanthropic contributions to scholars and institutions who are likely to advocate preservation of a strong private sector,”⁷¹ while Michael Novak’s *American Vision: An Essay on the Future of American Democracy* (1978) urged corporate donors to refrain from subsidizing academics and academic programs that promoted views antithetical to free enterprise. Instead, Novak argued, a strategic philanthropy would target grant dollars to policy research centers, cultivate networks among free market academics, and support media programming consistent with free market principles and pro-business policy views.

In 1979, Michael Horowitz, a key appointee of the Reagan Administration and currently a senior fellow at the Hudson Institute, stated that efforts to shift legal theory and practice to the right would depend on capturing the minds of the next generation of lawyers.⁷² He called on conservatives to fund projects at the nation’s most prestigious law schools where relationships with the “best and the brightest” could be cultivated.

By the early 1980s, journalistic reports in the *Washington Post*, *Esquire* magazine, the *Pittsburgh Post-Gazette*, and the *Columbia Journalism Review* were highlighting the important role that the Koch, Olin, Smith Richardson, Sarah Scaife and other foundations were playing in building the organizational



“If we are to address violent crime, rising illegitimacy, and declining values, we must revitalize civil society: families, neighborhoods, churches, schools and other private institutions. Since the public sector has played a key role in fostering dependency, entitlement, and victimization, we should also reduce the size and scope of government.”

**Jeremiah Milbank, Jr.
The JM Foundation**

**From the 1995 Annual Report of the
Foundation**

market policy objectives. In his book *Ominous Politics: The New Conservative Labyrinth*, John Saloma reported that the John M. Olin Foundation directed \$3 million in 1982 alone to support conservative research organizations. Saloma also noted that the Smith Richardson Foundation, under its then-president, R. Randolph Richardson, became “a major source of financing in the supply side revolution,” funneling grant money to the American Enterprise Institute, the Heritage Foundation, and the National Bureau of Economic Research to develop supply side theory and policy proposals based on it.

base of the right. A pioneering investigative report by Karen Rothmeyer on the philanthropy of Richard Mellon Scaife, heir to the Mellon oil fortune, noted Scaife’s contribution to American conservatism by seeding as many as two dozen new right organizations. She estimated that when he assumed the chairmanship of the Sarah Scaife Foundation in 1973, “total donations from Scaife entities to conservative causes [ran] about \$10 million a year,” an amount, Rothmeyer further noted, that did not even reflect his personal contributions.⁷³ Similarly, an article in the *Pittsburgh Post-Gazette* dubbed him the “financier of the right” in light of his contributions to over 100 “ideological” organizations.

Other reports produced over the past 15 years have provided a glimpse of the resources that conservative funders have invested to promote pro-

Author and journalist, Thomas Edsall also notes in *The New Politics of Inequality* the policy role that conservative foundations played in the late 1970s and early 1980s through their support of key new right policy organizations. Edsall wrote that “the financial backing of [such] institutions reflects the astute use of philanthropy by the corporate and conservative foundation community to finance credible intellectual arguments produced by highly respected and independent but conservative economists and social scientists.”⁷⁴ According to Edsall, the Sarah Scaife Foundation, John M. Olin Fund (predecessor to the Olin Foundation), and the J. Howard Pew Freedom Trust (not one of the 12 foundations studied in this report but, by reputation, a major force within the early conservative funder community) granted a total of \$4.89 million to the Hoover Institution between 1971 and 1982. (The J. Howard Pew Freedom Trust also gave \$5.85 million to AEI in the six years from 1976 through 1981.)

If anecdotal reporting by Rothmeyer, Saloma, Edsall and others on conservative philanthropy suggests the strong role that conservative foundations like Scaife, Smith-Richardson, Olin, and others have played since the early 1970s, a more systematic study by Michael Patrick Allen substantiates it.⁷⁵ Citing a variety of scholarly publications and studies on the influence that conservative policy institutions have had on public policy formulation and implementation, Allen undertook documentation of the major supporters of ten such institutions, including Hoover, AEI, Heritage, the Center for International and Strategic Studies, the Institute for Contemporary Studies, the Institute for Foreign Policy Analysis, the National Information Strategy Center, the Manhattan Institute, the Institute for Research on the Economics of Taxation, and the Pacific Research Institute. All ten currently are major grant recipients, drawing significant support from some combination of the 12 foundations included in this study.

Between 1977 and 1986, Allen found that these ten conservative institutions received a total of \$88 million in grant awards from a different set of 12 foundations, including the Scaife, Smith-Richardson, Olin, and JM foundations but also including the J. Howard Pew Memorial Trust, the Adolph Coors Foundation, the Samuel R. Noble Foundation, the Starr Foundation, the Lilly Endowment, and the M.J. Murdoch Foundation. Allen also reported that total contributions from these 12 foundations to the ten institutions increased by over 330 percent during the ten-year study period.

More recent investigative and popular reports have continued to document some of the major contributions that conservative foundations made in the late 1980s and early

1990s. The Koch family foundations, for example, were reported to have provided \$6.5 million to the Cato Institute, \$4.8 million to Citizens for a Sound Economy and \$2.0 million to George Mason University's Institute for Humane Studies from 1986 through 1990, while the earlier cited Alliance for Justice report documented the considerable investments that the Olin Foundation and other funders made in law and economic programs and other legal organizations between 1987 and 1993. According to that report, Olin alone provided \$13 million to support law and economics programs in the years examined.⁷⁶

The reporting of such aggregate figures excludes the individual contributions of an unspecified number of wealthy conservative donors as well as corporate foundations and giving programs. In a report published last year by People for the American Way on right-wing foundations, individual donors were identified as major contributors to ultra-

conservative and religious right organizations.⁷⁷ To take one example, Robert Kriebel has annually contributed \$100,000 to the Heritage Foundation for almost a decade. Kriebel's contributions to the Free Congress Research Foundation's Kriebel Institute have also been significant, making up 75 percent of the Institute's budget. While there has been no systematic examination of corporate foundations or giving programs, the conservative Capital Research Center ranks four grantmaking entities among its top ten list of conservative grantmakers, including the Amoco Foundation, Ford Motor Company, Rockefeller International and Alcoa.⁷⁸ Moreover, major grantee institutions of the 12 foundations whose giving *was* systematically examined for this report indicate that corporate contributions make up a substantial part of their operating budgets. Taken together, then, the available evidence demonstrates a long-term pattern of politically-motivated investment by conservative donors.

Whither the Philanthropic Mainstream?

The role that conservative foundations have played in reinvigorating the intellectual, institutional and leadership base of American conservatism has no significant parallel in the philanthropic mainstream. While conservative funders see themselves as part of a larger movement to defeat “big government liberalism,” and fund accordingly, mainstream foundations operate squarely within a tradition of American pragmatism by adopting a problem-oriented, field-specific approach to social improvement. Such an approach has ignored the reality, well-understood by conservative foundations, that the national impact on state, local and neighborhood issues is so big that the federal policy framework cannot be overlooked.

The ideological commitments of conservative foundations and the caution of mainstream ones have exacerbated, if not created, a gap in the resources available to multi-issue public policy institutions working on the right and left of the policy spectrum. Consider, for example, that the combined revenue base of such conservative multi-issue policy institutions as the Heritage Foundation, the American Enterprise Institute, Free Congress Research and Education Foundation, the Cato Institute, and Citizens for A Sound Economy exceeded \$77 million in 1995.

In strong contrast, the combined budgets of organizations that might *roughly* be considered their progressive equivalents (e.g., multi-issue, left-of-center groups whose work focuses on domestic policies at the national level) — the Institute for Policy Studies, the Economic Policy Institute, Citizens for Tax Justice, and the Center on Budget and Policy Priorities — had only \$9 million at their collective disposal in 1995. If one broadened the list to include the Twentieth Century Fund, the Center for the Study of Social Policy, OMB Watch, and the Center for Community Change, the combined 1995 budgets of these eight organizations would still only amount to \$18.6 million. While revenue base may be only one factor underlying (or contributing to) organizational capacity and effectiveness, surely it is a critical one.

Other anecdotal and scholarly data support the view that mainstream foundations remain exceedingly cautious funders of “ideological” or “movement” organizations, or those with a strong public policy, issue advocacy and community organizing focus. According to one investigative reporter, conservative foundations provided \$2,734,263 to four right-of-center magazines between 1990 and 1993, including the *National Interest*, *Public Interest*, *The New Criterion* and *The American Spectator*. Over the same time period, however, four left-of-center publications — *The Nation*, *The Progressive*, *In These Times* and *Mother Jones* —

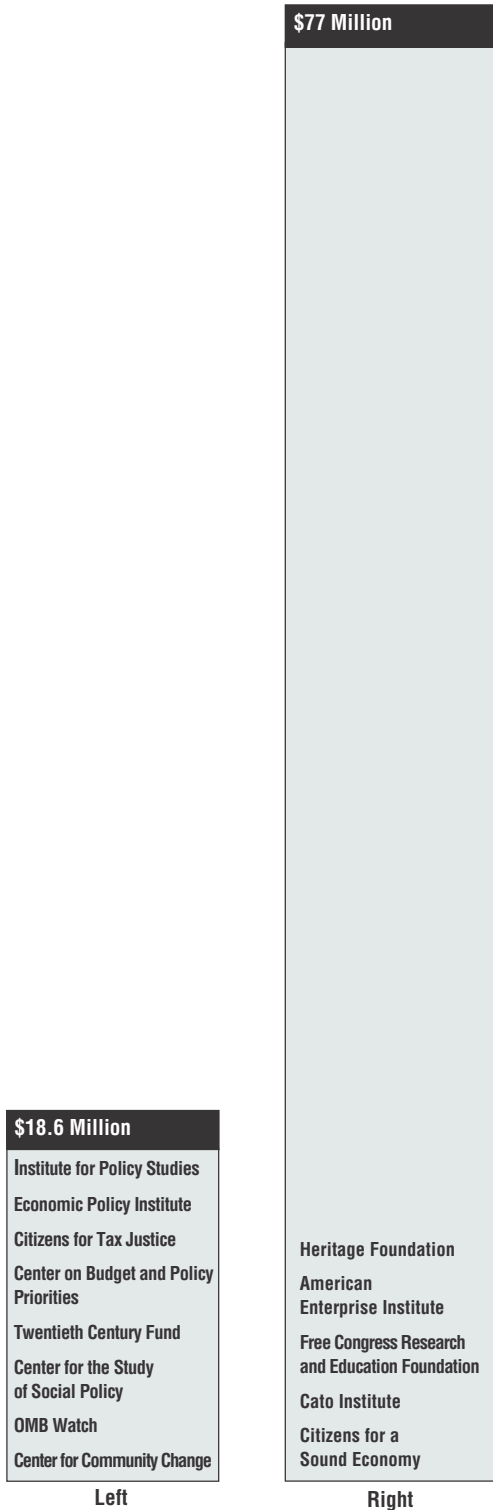
received only \$269,500 from foundations. Based on such funding disparities, the journalist concluded: “America’s conservative philanthropies eagerly fund the enterprise of shaping opinion and defining policy debates, while similar efforts by progressive philanthropies are, by comparison, sporadic and half-hearted.”⁷⁹

Although no budget data have been systematically compiled that compare reliably the revenue base of conservative and progressive policy organizations focused on state governments, two national compilations of right-of-center and left-of-center organizations published by Economics America in 1995 suggest both resource disparities and a significant difference in the level of organizational development. *The Right Guide*, 1995 listed 40 think tanks and policy organizations with either a state-level, multi-issue agenda or a focus on state fiscal policy. These groups enjoyed a combined revenue base of approximately \$28 million. The list of organizations for whom budget information was provided, however, includes only about one-half of the total conservative think tanks. The total flow of dollars to this growing infrastructure is thus much larger, if not yet fully documented.

By comparison, *The Left Guide*, 1995 indicates that the universe of progressive groups working to influence state policy decisions is much smaller, with many operating on shoe-string budgets. In fact, *The Left Guide* does not even organize the limited number of progressive state policy groups

While conservative funders see themselves as part of a larger movement to defeat “big government liberalism,” and fund accordingly, mainstream foundations operate squarely within a tradition of American pragmatism by adopting a problem-oriented, field-specific approach to social improvement.

Combined 1995 Revenues of Multi-Issue Public Policy Institutions on the Left and Right



under the heading “State Policy Organizations,” as *The Right Guide* does, because the majority of groups contacted for information reported being “community-centered” rather than “policy focused.” Earlier investigative research on conservative state-level think tanks also suggested the lack of an equivalent infrastructure of progressive public policy organizations.⁸⁰

Other reports strongly suggest foundations’ reluctance to support activities that enable or mobilize constituencies, particularly in low income communities, to exert influence on state policy decisions. In an effort to discover what promotes or impedes state legislators’ responsiveness to children, for example, one report by the State Legislative Leaders Foundation found that state legislative leaders are generally “unaware of any cohesive, effective grassroots constituency for children in their states” and that “groups [advocating] for children and families have not been provided with the training, funding and flexibility necessary to develop and implement sustained strategies essential to legislative success.”⁸¹

A more recent study assessing the status and effectiveness of low income advocacy in California found similar funding deficits.⁸² In fact, after reviewing the needs, resources and deficiencies of local groups, the study, entitled *Ready or Not: Assessing Low Income Advocacy in California*, found that “the most pivotal factor affecting [local groups’] state advocacy work is funding: the lack of funding for organizing and advocacy; the restrictions attached to government as well as private funding; and the need to focus on funding the organization’s budget over larger policy questions” [emphasis added].⁸³ In a common complaint, one local advocate stated that “We also have to be careful about how outspoken we are because we don’t want to offend our donors. It’s troubling that we have to be muted about it.”⁸⁴ Such a statement is in strong contrast to the mission and public policy statements of conservative grantees and the freedom they have to openly promote their views on important public policy issues.

Ready or Not suggests that even when the philanthropic mainstream has chosen to support progressive state policy work, the lack of funding for constituency, or grassroots, organizing and mobilization has reinforced local groups’ tendency toward “constituent exclusion.” The report argues that, absent funds for constituency mobilization, a funding strategy based simply on “speaking truth to power” (or the collection and analysis of data in isolation from a broader progressive policy movement) will render state level advocates largely ineffective by leaving them without strong community roots.

Data compiled by Ohio State University sociologist Craig

Jenkins on “social movement philanthropy” also supports the view that relatively few mainstream foundations are investing in the same kinds of strategic policy and social change activities as their conservative counterparts.⁸⁵ In a systematic examination of “social movement philanthropy” between 1955 and 1990, Jenkins found that more foundations became involved in the funding of progressive social movements, but that their total investments in social movement organizations nevertheless amounted to only 1.2 percent of total 1990 grantmaking, or \$88 million.

In a recent paper, Jenkins and his co-author, Abigail Halcli, also note that social movement philanthropy has gravitated over time to “middle class movements” focused on the environment and consumer safety, been organized around “a rights framework,” and relied far more heavily on public interest litigation than on constituency development or mobilization strategies. These findings also contrast with the patterns of conservative foundation grantmaking, which offer strong support for litigation, action research, networking, leadership development and constituency mobilization.

Historian Michael Katz provides a contemporary funding example that illuminates some of the problems and limitations of mainstream American philanthropy’s approach to social or public policy change.⁸⁶ According to Katz, the Rockefeller Foundation asked the Social Science Research Council to consider establishing a committee on the “urban underclass” in 1987. The SSRC responded by creating the Committee for Research on the Urban Underclass, largely financed by Rockefeller and active between 1988 and 1993, to “reinvigorate research on urban poverty, which had languished for more than a decade, and to train a cadre of new scholars.”

The Committee developed scholarship programs to encourage undergraduate, graduate and post-doctoral work in urban poverty and organized periodic conferences for the dissemination of its research findings. Although the Rockefeller Foundation had hoped that the committee would use its research directly to inform public policy and collaborate with community action projects that the foundation was sponsoring in six cities, this did not happen in any organized fashion. As Katz stated:

If the ideological character of conservative foundations’ grantmaking has strengthened the organizational base of the conservative policy movement, the pragmatic stance of the philanthropic mainstream has weakened the ability of progressive or community-based nonprofit organizations to articulate their interests and place alternative policies before national and state policymakers and the general public.

For all of the sophistication and technical excellence of its work, it spoke with no unified voice. ...the committee did not directly address the day-to-day struggles of poor people in inner cities, the collapse of institutions and community, or the needs of activists responding to the effects of public and private disinvestment. Its neglect of these subjects was not unique. It reflected the history of modern social science, which, in the interests of ‘objectivity’ and professionalism, had tried to erect walls between research and advocacy and to assure control of the research agenda by experts usually based within universities.⁸⁷

Katz also notes in his review of the work of the SSRC’s Committee that much of its research agenda was predicated on “untested historical assumptions” and that scholars working in urban poverty research maintained rather than challenged “a long

intellectual tradition [that] views the poor as demoralized and denuded of the will and capacity for self-help,” which is one reason why research on poverty (heavily funded by foundations) has focused more on “pathology than politics.” Thus, as Katz concludes, the theories developed by political conservatives in the 1980s to attack the war on welfare “encountered very little serious or powerful opposition.”⁸⁸

If the ideological character of conservative foundations’ grantmaking has strengthened the organizational base of the conservative policy movement, the pragmatic stance of the philanthropic mainstream has weakened the ability of progressive or community-based nonprofit organizations to articulate their interests and place alternative policies before national and state policymakers and the general public. The resulting imbalance has had profound consequences for policy debates and legislative decisions. It has also had serious implications for how well American democracy functions to aggregate and represent interests. As political scientist Ira Katznelson has argued, the institutional weakness of what he broadly terms the left “forecloses meaningful political choice, flattens political debate, and leaves unattended vast human needs and distortions of power.”⁸⁹ Drawing on a quote from sociologist C. Wright Mills, who defined freedom as “first of all, the chance to formulate the available choices,” Katznelson rightly observes that “a formless pragmatism combined with democratic institutions does not constitute a recipe for a content-rich political life.”⁹⁰

The Institutional, Ideological and Public Policy Impact of Conservative Philanthropy

Meaningful democratic participation requires that the voices of citizens in politics be clear, loud, and equal: clear so that public officials know what citizens want and need, loud so that officials have an incentive to pay attention to what they hear, and equal so that the democratic ideal of equal responsiveness to the preferences and interests of all is not violated. Our analysis of voluntary activity in American politics suggests that the public's voice is often loud, sometimes clear, but rarely equal.

Sidney Verba, Kay Lehman Schlozman and Henry Brady
Voice and Equality: Civic Voluntarism
in American Politics

The long-term investments that conservative foundations have made in building a “counter-establishment” of research, advocacy, media, legal, philanthropic and religious sector organizations have paid off handsomely. These donors have altered the particular mix of organizations actively seeking public policy influence in Washington, D.C. and in state capitals and thereby reshaped the institutional landscape of American politics and policymaking. Their long-term support of groups like the Heritage Foundation or Citizens for a Sound Economy has also occurred at a time when changes in American politics have facilitated conservative think tanks and advocacy organizations to emerge as particularly influential public policy actors.

Among the most important of these changes has been the long-term decline in electoral participation, a deepening class skew to American voting patterns and other forms of political participation, the increasing political importance of the media, the growing role of money in politics, and the decline of institutions like labor unions which once played a stronger balancing role in setting national, state and local priorities. Over time, these changes have interacted in a way that has sharply narrowed the opportunities for low income citizens to exert political influence, exacerbating what Verba, Schlozman and Brady call the “participatory inequality” in American politics.⁹¹ This has made it far easier for conservative policy

institutions to step into the political breach to frame issues and market policy solutions.

The table below shows a list of the founding dates (and 1992-94 total grant awards) of most of the major and some of the minor grantees of conservative foundations. It suggests two periods of “lift” in conservatives’ institution-building efforts — one in the mid-to-late 1970s following Watergate and another in the mid-1980s when the Reagan Administration entered its second term.

Equipped with the financial and human resources necessary to market their policy ideas, these and other conservative institutions have taken the offensive, repositioning the boundaries of national policy discussion, redefining key concepts, molding public opinion, and pushing for a variety of specific policy reforms. Their successes, on both a broad ideological and public policy level, are readily apparent over two decades. The constant repetition and dissemination of conservative policy ideas “has made positive government action in social welfare and economic development policy seem off limits and inappropriate.”⁹² Conservative free-market ideology has provided a philosophical underpinning for many of the most important fiscal policies developed and implemented over the past 16 years.

The Conservative Fiscal Consensus

Take national economic policy, an area to which national think tanks and policy intellectuals have devoted significant attention. James K. Galbraith argues that there is “a common ground on economic policy that now stretches with differences only of degree from the radical right to Bill Clinton.”⁹³ That consensus posits that government’s main economic management task is to balance the budget and otherwise leave the Federal Reserve alone. But, as Galbraith observes, this line of policy thought effectively removes macroeconomics (what

Galbraith calls the “active center of power”) from the political sphere, leaving only such “minor details” for partisan political negotiation as whether the federal budget should be balanced in seven or nine years. “The economics behind this consensus,” Galbraith argues, “is both reactionary and deeply implausible. It springs from a never-never land of abstract theory concocted over 25 years by the disciples of Milton Friedman and purveyed through them to the whole of the economics profession.”⁹⁴

The data presented in this report substantiates the philanthropic investments that have been made to support the development of free market ideology and the fiscal policies based on it. In fact, many of the conservative policy institutions being supported today have been major players since the late 1970s in promoting supply-side economics and other policy ideas as the basis for federal economic management. Thomas Edsall, who has documented the distributional consequences of federal economic policy during the early 1980s, notes that four private institutions, including the National Bureau of Economic Research, the Hoover Institution, the American Enterprise Institute and the Center for the Study of American Business, “were particularly critical in the shift of the economic debate to the right [and] provided much of the groundwork for the radical change in policy taking place from 1978 through 1981.”⁹⁵

Joining (or affiliated with) these institutions were a number of conservative economists and economic publicists whose work provided the intellectual and policy basis for what came to be the Economic Recovery Tax Act of 1981. Paul Craig Roberts, then senior research fellow at the Hoover Institution, and Norman B. Ture, then president of the Institute for Research on the Economics of Taxation, were both early and enthusiastic proponents of supply-side economics.⁹⁶ Their work became the basis for the Reagan Administration’s Economic Recovery Tax Act (ERTA) of 1981.

Supply side theory posited that tax cuts would actually generate increased tax revenues because of their stimulating effects on the national economy. The reverse occurred. By reducing federal income tax rates by 25 percent over a three-year period, ERTA helped to generate an enormous federal budget deficit. According to the bi-partisan and highly re-

spected Congressional Budget Office, the cumulative loss to the Treasury Department reached \$1 trillion by 1987 and the federal deficit grew to unprecedented levels. In consequence, deficit reduction assumed political centrality in what one political analyst came to describe as “a frontal assault on the

revenue base of the modern welfare state.” The deficit created a zero-sum legislative environment, pitting individual programs against each other in the fight for revenues while rendering an expansion of federal social policy extremely difficult.

The private institutions strongly affiliated with the formulation and promotion of conservative fiscal policy over

the 1980s continue to receive heavy support. The four private institutions identified by Edsall as intellectually and politically instrumental in the adoption of supply-side economic policy were collectively awarded \$12.5 million from 1992 through 1994. This figure does not begin to reveal the full volume of grants invested in conservative academic programs, scholars and independent policy institutions with a substantial focus on federal tax and fiscal policy, however. With few research and advocacy institutions of equal financial stature and political power focusing policy attention on such matters as wage stagnation, rising inequality, real and hidden unemployment, poverty and other concerns, the “conservative fiscal consensus” is likely to continue to dominate both policymaking forums and the popular debate.

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The War on the Poor

If the revenue side of national fiscal policy has received sustained attention by conservative grantees, so has the expenditure side. Indeed, it is in the particular area of federal anti-poverty programs that conservative grantees have launched their most sustained and vitriolic attacks. In the early 1980s, the Manhattan Institute sponsored and heavily promoted two publications that urged the elimination of federal anti-poverty programs. One was George Gilder’s book, *Wealth and Poverty*, which contended that poverty was the twin result of personal irresponsibility and government programs that rewarded and encouraged it, and the other was Charles Murray’s

Founding Dates of Conservative Grantees

Date Founded		Total Grants Awarded, 1992-1994
1943	American Enterprise Institute	\$ 6,934,945
1953	Intercollegiate Studies Institute	2,639,100
1955	Foreign Policy Research Institute	968,986
1959	Hoover Institution on War, Revolution and Peace	3,196,300
1961	Hudson Institute	3,261,780
1962	Center for Strategic and International Studies	1,820,000
1968	National Right to Work Legal Defense and Education Foundation	100,000
1969	Accuracy in Media	365,000
1969	National Strategy Information Center	1,257,984
1969	Young America's Foundation	100,000
1972	Eagle Forum Defense and Education Fund	155,000
1972	Institute for Contemporary Studies	1,513,800
1973	American Legislative Exchange Council	385,000
1973	Heritage Foundation	8,979,852
1973	Pacific Legal Research and Education Foundation	745,000
1973	Landmark Legal Foundation	600,000
1974	The Fraser Institute	104,455
1975	National Legal Center for the Public Interest	10,000
1976	Ethics and Public Policy Center	2,089,820
1976	Free Enterprise Partnership	57,000
1976	Institute for Foreign Policy Analysis	1,905,862
1977	Atlantic Legal Foundation	317,000
1977	Americans for Tax Reform Foundation	90,000
1977	New England Legal Foundation	285,400
1977	Southeastern Legal Foundation	150,000
1977	Washington Legal Foundation	2,098,500
1977	Cato Institute	3,927,557
1977	Free Congress Research and Education Foundation	5,097,200
1977	Institute for Research on the Economics of Taxation	364,000
1977	National Journalism Center/Education and Research Institute	241,000
1977	National Taxpayers Union Foundation	815,000
1978	Manhattan Institute	2,114,140
1978	Reason Foundation	1,166,030
1979	Claremont Institute for the Study of Statesmanship & Political Philosophy	976,626
1979	Federation for American Immigration Reform	269,500
1979	Leadership Institute	233,550
1979	Pacific Research Institute for Public Policy	676,000
1980	Center for the Study of Public Choice (at George Mason U)	524,100
1980	Political Economy Research Center	701,000
1981	Atlas Economic Research Foundation	512,450
1981	Criminal Justice Legal Foundation	105,000
1981	National Center for Neighborhood Enterprise	1,096,000
1981	Social Philosophy and Policy Center	1,767,650
1982	Bryce Harlow Foundation	25,000
1982	Federalist Society for Law and Public Policy Studies	1,514,500
1982	Institute on Religion and Democracy	653,000
1982	National Center for Public Policy Research	509,100
1983	American Defense Institute	150,000
1983	Center for the Study of Market Processes (at George Mason U)	2,125,923
1983	Defense Budget Project/Center for Strategic and Budgetary Assessments	160,000

1983	Jamestown Foundation	265,629
1983	National Center for Policy Analysis	790,000
1984	Catalyst Institute	250,000
1984	Center for Media and Public Affairs	1,181,000
1984	Citizens for A Sound Economy	3,795,000
1984	Competitive Enterprise Institute	737,000
1984	Foundation for Research on Economics and the Environment	260,000
1984	Heartland Institute	194,490
1984	George C. Marshall Institute	1,250,300
1985	American Studies Center/Radio America	410,000
1985	Independence Institute	10,000
1985	Institute for Political Economy	387,090
1985	Institute for the Study of Economic Culture (Boston U)	1,031,750
1985	Capital Research Center	1,166,000
1985	Center for Immigration Studies	124,500
1985	Committee for a Constructive Tomorrow	75,000
1985	Institute for Political Economy	387,000
1985	Institute for Humane Studies (since relocation to D.C. area)	3,005,173
1985	Washington Institute for Policy Studies	45,000
1987	Commonwealth Foundation for Public Policy Alternatives	519,500
1987	Institute for American Values	356,890
1987	Institute for Policy Innovation	180,000
1987	Mackinac Center for Public Policy	65,000
1987	Media Research Center	90,000
1987	National Association of Scholars	2,170,000
1987	Wisconsin Policy Research Institute	3,372,500
1988	Center for Security Policy	615,000
1988	Center for the Study of Popular Culture	3,270,000
1988	Institute for the Study of Conflict, Ideology and Policy (Boston U)	262,750
1988	National Forum Foundation	440,000
1988	Pioneer Institute for Public Policy Research	350,000
1989	Center for Individual Rights	1,251,100
1989	John Locke Foundation	25,000
1989	Locke Institute	229,000
1990	Acton Institute for the Study of Religion and Liberty	265,794
1990	Center of the American Experiment	85,000
1990	Institute on Religion and Public Life	1,875,000
1990	Madison Center for Educational Affairs	1,995,580
1990	National Council for History Education	171,696
1991	Americans Back in Charge	325,000
1991	Defenders of Property Rights	160,000
1991	Georgia Public Policy Foundation	10,000
1991	Institute for Justice	2,425,000
1991	Philanthropy Roundtable (as self-standing entity)	383,000
1991	Randolph Foundation	500,000
1992	American Academy for Liberal Education	333,000
1992	Empowerment Network Foundation	280,000
1992	Independent Women's Forum	100,000
1992	Partners Advancing Values in Education	2,020,366
1992	State Policy Network	215,000
1993	Progress and Freedom Foundation	125,000
1994	Buckeye Institute for Public Policy Solutions	10,000
1994	Josiah Bartlett Center for Public Policy	10,000
1994	New Citizenship Project	175,000
1995	National Alumni Forum	100,000

Losing Ground: American Social Policy, 1950-1980, which extended the argument, stating that AFDC and other anti-poverty programs reduced marriage incentives, discouraged workers from accepting low-wage jobs, and encouraged out-of-wedlock births among low income teenagers and women. These books were followed by Lawrence Mead's *Beyond Entitlement: The Social Obligations of Citizenship*, which picked up the same argument, focusing on government's responsibility for perpetuating poverty by failing to require welfare recipients to work.⁹⁷

Other major grantees have worked for over a decade to capitalize on and extend the works by Gilder, Murray and Mead, spreading conservative political rhetoric and policy opinion through major media and conservative-controlled print and broadcast outlets. Conservative grantees have been funded to produce and market a veritable flood of materials attacking federal anti-poverty programs, including *America's Failed \$1.4 Trillion War on Poverty*, *Breaking the Poverty Cycle: Private Sector Alternatives to the Welfare State* and *Why Not Abolish the Welfare State*. Conservatives have variously redefined the problem by arguing that poverty is a relative concept, that the poor are significantly better off than is popularly understood, that moral failure causes the poor to be poor and that government action has perpetuated rather than alleviated poverty by coddling the poor and entrapping them in a system that debases and clientelizes them.

Not surprisingly, this 15-year campaign culminated in the 1996 passage of welfare legislation that eliminated, among other things, the only federal program guaranteeing a minimal level of cash assistance to the very poor. In fact, federal entitlement programs benefitting poor people absorbed a full 93 percent of the 1995 and 1996 budget cuts, even though those programs constituted only 24 percent of all entitlement spending. As the Center on Budget and Policy Priorities has noted, "Entitlement programs for individuals with low incomes thus have borne a highly disproportionate share of the entitlement reductions enacted." The concentration of budget cuts in anti-poverty programs last year and during the Reagan Era serves as a sharp reminder that free-market ideology and anti-government rhetoric will almost always hurt poor and low income constituencies first and disproportionately.

Other policy action (and inactions) of the 1980s and early 1990s illustrate the point, as well. Kevin Phillips documents the role that federal policies during the 1980s had in concentrating wealth and aggravating inequality, pointing to the supply-side tax cuts, the political decisions made to concen-

trate spending cuts in programs serving poor people and the benefits conferred on America's "creditor class" by a soaring federal deficit. Although Phillips is virtually alone among conservative political commentators in describing the 1980s as a period reminiscent of America's "Gilded Age" and characterized by the "political ascendancy of the richest third of the population," he is joined by many others to his left who have documented the trend toward inequality wrought by unrestrained market processes and public policies.

A 1992 article in the *Atlantic Monthly*, for example, provided a panoramic view of the increasingly upper-class tilt of the welfare state, noting that in 1991 the most affluent Americans received more in benefits than the poorest Americans. The article states that on average, "households with incomes under \$10,000 collected a total of \$5,690 in benefits. On average, households with incomes over \$100,000 collected \$8,280."

Federal housing policies provide one clear example of the inequitable pattern of government action and inaction. While 2.2 million low-rent housing units disappeared from the housing market between 1970 and 1994 (even as the number of low-income renters increased precipitously),⁹⁸ the federal government continued to provide \$66 billion in mortgage interest and property tax deductions, two-thirds of which benefitted families with annual incomes of at least \$76,000. This \$66 billion subsidy program was about four times greater than the total spent by the federal government on low-income housing programs.⁹⁹ Despite the inequities inherent in federal housing subsidies, however, Congress passed and the president signed in 1996 a bill that completely eliminated new tenant-based assistance, causing *New York Times* journalist Jason DeParle to mourn the "good old Reagan days," when the number of new families getting housing assistance was merely slashed from "previous highs of 400,000 to 40,000."¹⁰⁰

Notwithstanding the country's housing crisis and growth in philanthropic support for community development corporations, over two decades of free-market ideology and anti-poor rhetoric have helped to keep budget-cutting proposals on the federal table. The Department of Housing and Urban Development has been under threat of elimination, its budget cut drastically during the Reagan era and again in the past several years. In a summary review of legislative decisions taken by the 104th Congress, the Center for Community Change notes that a 1995 rescissions bill cut HUD funding from \$26 billion to \$19.3 billion, a percentage reduction of 23 percent that included cuts in the funding of public housing, homeless assistance and housing programs for the elderly and disabled.¹⁰¹

Such inequities, of course, are easier to justify when the prevailing view is that poor people are responsible for their own condition and that government programs serving them only create, perpetuate or worsen poverty.

The Privatization Debates

Conservative grantees have used their attacks on federal anti-poverty programs to undermine the legitimacy of government activism in a variety of policy domains — in effect, turning their specific critiques of government-created welfare dependency, as historian Michael Katz has suggested, into an “overall symbol of government failure.”¹⁰² From America’s failed war on poverty, we now have the failed institutions of the outmoded industrial state. With government programs that serve low income constituencies attacked as inefficient and counterproductive, new broadsides have been launched against other government agencies, policies, programs and services. Major grantee institutions have consistently and aggressively advocated a variety of privatization proposals, including school vouchers, medical savings accounts and private retirement accounts as superior alternatives to what they see as an increasingly bureaucratic and inefficient state.

Here, ideological principles double as strategic initiatives. Privatization, for example, serves as both an ends and a means for movement conservatives. As an “end,” it reflects conservatism’s belief that the market is the most efficient mechanism for the delivery of services. As a “means,” conservatives advocate privatization as a mechanism to redistribute power from government to the private sector, which many say will widen, not reduce, the growing gap between the haves and the have nots in American society.

Economist Paul Krugman develops this critique in an examination of school vouchers, a policy reform supported by conservative foundation grantees.¹⁰³ He makes two points. First, he argues that the establishment of school vouchers will help to erode middle-to-upper class support for public education. This is because middle and upper income parents would come to the realization that, if they could get government to reduce public education expenditures they would save more money in taxes than they would lose in “decreased education subsidy.” Second, he argues that vouchers have strong anti-union implications by offering a mecha-

nism to break the power of public sector unions, “the last remaining stronghold of the American labor movement.” This, he says, is significant given the important role that unions play in maintaining wage levels and reducing income inequality.

Similar concerns over the distributional effects of privatization have been voiced in other policy arenas, such as current proposals to privatize social security or establish individual medical savings accounts. In both cases, privatization would theoretically allow all people to opt out of universal or collective programs of social or health insurance. In practice, only people of means would effectively be able to do so. As with school vouchers, making policies that allow people to opt out of universal or collective programs creates an even stronger rationale for wealthy households to push for lower taxes and reduced government spending. The *New York Times* aptly described such efforts as “the breaking apart of common pools of citizenship.”¹⁰⁴

Social Capital and Civic Renewal

While conservative grantees attack the legitimacy of government action in a variety of policy spheres and program areas, they and their financial supporters are also launching a growing effort to define what civic renewal means, or should mean, in America’s “post-welfare” society, with particular efforts to tie their conceptual framework to new directions for American philanthropy. Recently popularized concerns over America’s declining “social capital” have been coopted and linked to broader conservative political ideology and policy critique — namely, that the relentless expansion of government, driven by a sort of “hyper pluralism” or “crisis of democracy,” has suppressed America’s charitable impulse while robbing local communities of their own unique problem-solving capacities.¹⁰⁵ The conservative movement argues that rebuilding social pride and civic involvement requires the withdrawal of well meaning but ultimately counterproductive government programs.

In the 1990s, new institutions and projects have been developed to push this ideological point of view, among them the National Commission on Philanthropy and Civic Renewal, chaired by former GOP presidential candidate, Lamar Alexander; the National Commission on Civic Renewal, co-



“In recent decades... as government has grown large and intrusive, private giving—particularly through organized charities, foundations, and other philanthropic institutions—has become entangled in various ways with government, possibly to the detriment of both.”

Statement from the National Commission on Philanthropy and Civic Renewal which is chaired by Lamar Alexander

chaired by William J. Bennett and former Senator Sam Nunn; the Center for Effective Compassion, headed by Arianna Huffington; the New Citizenship Project and the New Citizenship Institute. Each of these organizations represents a larger effort by political conservatives to reassign social welfare responsibilities from government to the private sector.

Even as the public’s disengagement from politics grows, particularly in the electoral arena, many of these new institutions are seeking to narrow the concept of citizenship, emphasizing private sector expressions of civic virtue and deemphasizing the exercise of citizenship in the public/governmental sphere. The Bradley Foundation is quite explicit on this point, stating that it supports “limited, competent govern-

ment” and emphasizes that its concern for citizenship and civic renewal is firmly rooted in the private, non-governmental sphere and, specifically, in the “values of personal responsibility and voluntary action.” In fact, the Foundation notes that “our view of citizenship is not primarily concerned with promoting civics education, voter awareness or turn out, or similar activities narrowly focused on voting and elections.”¹⁰⁶

Lamar Alexander, chair of the Bradley-funded National Commission on Philanthropy and Civic Renewal, makes the same point, stating that “now that the era of big government is over..., our mission must be to create a roadmap for giving in America, community by community.”¹⁰⁷

Political Process Implications

The political or democratic implications of conservative funding streams have been profound. In political process terms, the existence of powerful and well-funded conservative “counter-institutions” raises the specter of what some have appropriately called “supply-side” politics, the idea that policy proposals aggressively marketed will find their place in the citizen-consumer marketplace irrespective of existing demand. Samuel Kernell has suggested that modern means of communication has permitted those with resources to broadcast messages “so psychologically powerful as to determine what voters will think they want, in a process of ‘supply-side’ politics.”¹⁰⁸

Drawing on Kernell’s idea, political scientist David Ricci states that, “Like the pigs in George Orwell’s *Animal Farm*, some ideas will be more equal others..., partly because the means for marketing anything are unevenly distributed. From such inequality, the marketing analogy can be extended to suggest that a certain quantity of powerfully marketed ideas may displace forces of natural demand which Americans have long regarded as characteristic of democratic societies.”¹⁰⁹

Also important are the pressures that conservative foundation support of new right policy and advocacy institutions has placed on the agendas of organizations outside the conservative policy framework. As the Heritage Foundation expanded its revenue base and policy influence during the 1980s, the Brookings Institution declined as Washington’s preeminent liberal think tank. Just three years after the Heritage Foundation was established, Brookings “articulated a retreat from Keynesian economic policies.” Joseph G. Peschek observes that as politics on the right became more ideological, Brookings analysts became “technicians working within the assumptions imposed by existing political arrangements.”¹¹⁰

A newer study of Washington-based think tanks has similarly pointed to the role of money in structuring the ideological orientation of public policy institutions. Political scientist Howard Wiarda, whose work has often been published by the American Enterprise Institute, has also observed of the Brookings Institution that it has “moved steadily toward the center. That is where the money is... Brookings has a Republican president and Republican vice president, is recruiting more centrist scholars, and raises the bulk of its money from the same corporate sources as do the more conservative think tanks. As Brookings has moved to the center, that has left

a hole in the liberal side which no major think tank at present occupies.”¹¹¹

Even the American Enterprise Institute, known for its less ideological, if still conservative, approach to public policy research, confronted funding difficulties in the 1980s when two foundations — Olin and Smith Richardson — made the decision to withhold financial support because they deemed the Institute’s research orientation insufficiently conservative.

In a related vein, the differences in grantmaking approach between conservative and mainstream foundations have also created and reinforced important, on-the-ground differences in how conservative and progressive policy and advocacy institutions conduct their activities. Because conservative grantees are rewarded for — rather than marginalized by — their ideological viewpoints and policy activism, they are often able to engage the political process in a more direct, open, aggressive and consistent manner, effectively combining a broad public philosophy with specific policy views, communications and media activities, leadership recruitment and training, and constituency development. Given the movement character and end-goal orientation of conservative foundations and grantees alike, it is not surprising that grantee institutions are heavily engaged in marketing their policy ideas to a wide range of opinion shapers and political leaders.

The world of liberal and progressive nonprofits confronts an entirely different funding dynamic. Rather than being rewarded or encouraged for their public policy activism, they are often required to downplay their policy commitments in order to secure foundation support. Unable to obtain much support for general operations, constituency development or organizing, multi-issue advocacy, or communications and media efforts, they are forced to chase after project dollars, narrowly quantify the results of their programs and focus on the practical resolution of immediate social issues and concerns. This reinforces the observed tendency of much of the nonprofit community to be disengaged from the policymaking process and to ignore overarching but critically important questions related to the national fiscal or macroeconomic policy framework.¹¹²

In a sense, then, the institutional grantees of conservative foundations form a solid core of movement actors, united behind a larger vision for intellectual, social and public policy change, while organizations working in a liberal public interest

tradition focus more narrowly — and often in isolation — on specific interests or constituencies. Among many other consequences, this helps to reinforce the common charge that liberal public interest groups pursue particularistic and self-serving interests unrelated to the daily lives and concerns of average American citizens.¹¹³

In discussing the role of public ideas and understandings in American politics, Frank R. Baumgartner and Bryan D. Jones have rightly observed that “argumentation and creation of new understanding of an issue are at the heart of the political process. So policymaking is strongly influenced not only by changing definitions of what social conditions are subject to government response..., but also and at the same time by changing definitions of what would be the most effective solutions to a given problem. Policymakers have powerful incentives to manipulate both aspects of the public debate.”¹¹⁴

The conservative attacks on poor people, affirmative action, and government programs serving low income constituencies — and their constant reaffirmation of market efficiencies without recognizing market inequities or failure — has not only led to an array of specific policies but has also inhibited the development of alternative policies to address growing concentrations of poverty and inner-city decline, the social costs of which are astronomical.

Over a decade ago, Edsall wrote: “The distribution of income and wealth goes to the heart of its political ethic, defining the basic contours of a nation’s sense of justice and equity as it pursues economic growth and determines how the benefits of growth, or the burdens of decline, will be shared by its citizens.”¹¹⁵

Despite recently reported gains in the incomes of poor Americans last year, the nation remains an economically and racially divided one, with over 40 million Americans lacking health insurance, an appalling 20 percent child poverty rate, a rising prison population, the disappearance of work in inner-city neighborhoods, and sharp and continuing inequities in education and educational opportunity. Although such economic inequities and social divisions might be expected to raise serious questions about the nation’s political ethic, the current institutional forces driving federal and state policy debates almost guarantee that they will not even be seriously asked.

Conclusions

As debates continue within the foundation community about the appropriate public policy role of private grantmaking foundations, conservative foundations have developed and implemented a highly effective and politically-informed approach to public policy grantmaking. The grants analysis shows that their funding represents an impressively coherent and concerted effort to undermine — and ultimately redirect — what they and other conservatives have regarded as the institutional strongholds of modern American liberalism: academia, Congress, the judiciary, executive branch agencies, major media, and even philanthropy.

Conservative foundations bring to their grantmaking programs a clear vision and strong political intention, funding to promote a social and public policy agenda fundamentally based on unregulated markets and limited government. They have created and anchored key institutions, concentrating their resources to sustain and expand a critical mass of advocacy, litigation and public policy groups working on the right of American politics and culture. The results have been cumulative and impressive. Scholars develop the intellectual basis for conservative social perspectives and policy views. Conservative think tanks and advocacy organizations produce hundreds of policy reports, briefings, action alerts, monographs and analyses on matters both broad and specific, from national fiscal policy to regulatory reform. Business-sponsored law firms pursue strategic litigation to advance conservative legal principles. Conservative media outlets profile policy approaches and proposals to inform and mobilize opinion while attacking the political and journalistic mainstream. And fellowships, internships and leadership training programs create an effective pipeline to move young conservatives into the fields of law, economics, government and journalism.

Further leveraging their investments, the 12 foundations have targeted their grants to support activities and projects intended to bring conservative scholars, policy analysts, grassroots leaders, and public officials into frequent contact with each other. Think tank leaders attend meetings to learn how to use new information and communication technologies for greater public opinion and policy impact. Grassroots activists are linked by satellite to training conferences focusing on how best to frame issues for public consumption. Students are subsidized to participate in public policy programs that teach them the essentials of free market economics and place them in

think tanks, advocacy organizations, law firms and media outlets for further training. And organizations and projects are supported to build linkages and communication between grantmaking institutions and grantees.

In funding a policy movement rather than specific program areas, these 12 foundations distinguish themselves from the philanthropic mainstream, which has long maintained a pragmatic, non-ideological and field-specific approach to the grantmaking enterprise. The success of conservative foundation grantees in developing and marketing both general principles and specific policy proposals has also been enhanced by the institutional weaknesses of those who would place alternative policies onto the table for political debate.

The political implications and policy consequences of this imbalance have been profound. First, the heavy investments that conservative foundations have made in new right policy and advocacy institutions have helped to create a supply-side version of American politics in which policy ideas with enough money behind them will find their niche in the political marketplace regardless of existing citizen demand. Second, the multiplication of institutional voices marketing conservative ideas and mobilizing core constituencies to support them has resulted in policy decisions that have imposed a harsh and disproportionate burden on the poor.

The grantmaking of the 12 foundations offers valuable lessons for grantmakers interested in influencing current policy trends and the tenor of public policy debates. Seven stand out in particular. They include:

1. Understanding the importance of ideology and overarching frameworks.
2. Building strong institutions by providing ample general operating support and awarding large, multi-year grants.
3. Maintaining a national policy focus and concentrating resources.
4. Recognizing the importance of marketing, media and persuasive communications.
5. Creating and cultivating public intellectuals and policy leaders.

6. Funding comprehensively for social transformation and policy change by awarding grants across sectors, blending research and advocacy, supporting litigation, and encouraging the public participation of core constituencies.
7. Taking a long-haul approach.

While each lesson has its own power and significance, it is the combination of all seven that has made conservative philanthropy especially consequential. The demonstrated willingness of these foundations to act in such political and strategic terms serves as a sharp reminder of how much can be accomplished given clarity of vision and steadiness of purpose.

Endnotes

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About NCRP

Founded in 1976, the National Committee for Responsive Philanthropy is committed to making philanthropy more responsive to socially, economically and politically disenfranchised people, and to the dynamic needs of increasingly diverse communities nationwide. The National Committee's programs aim to maximize the financial capacities of organizations which seek justice for low income people, racial and ethnic minorities, women and others who are targets of discrimination, and which seek environmental sanity. To receive more information about NCRP's programs, publications and membership, please contact: NCRP at 2001 S Street, N.W., Suite 620, Washington, D.C. 20009 • Phone: (202) 387-9177 • Fax: (202) 332-5084.

